65

PART IV SEC I A & B

JAN TO DEC

an to Dece

Reg. No. BG 209, 1B Jan to Dece

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JANUARY 14, 1965 (PUSHYA 24, SAKA ERA 1886). | No. 2

PART IV

CONTENTS + 1A + and 1B.

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON— ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. 83/64, dated 30th Dec. 1964 47

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 359, dated 7th January 1965 5—6

P.T.O.

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

No. S.O. 1835, dated 30th Dec. 1964 ... ... 21—26
No. S.O. 1836, dated 5th Jn. 1965 27
No. S.O. 1837, dated 5th Jn. 1965 28
No. S.O. 1838, dated 7th Jn. 1965 29
No. S.O. 1839, dated 6th Jn. 1965 29
No. S.O. 1840, dated 5th Jn. 1965 30
No. S.O. 1841, dated 5th Jn. 1965 31
No. S.O. 1842, dated 5th Jn. 1965 31
No. S.O. 1843, dated 29th Dec. 1964 32
No. S.O. 1844, dated 29th Dec. 1964 33
No. S.O. 1845, dated 30th Dec. 1964 33
No. S.O. 1846, dated 2nd Jn. 1965 34
No. S.O. 1847, dated 6th Jn. 1965 35
No. S.O. 1848, dated 6th Jn. 1965 36
No. S.O. 1849, dated 6th Jn. 1965 37
No. S.O. 1850, dated 29th Dec. 1964 37
No. S.O. 1851, dated 29th Dec. 1964 38
No. S.O. 1852, dated 30th Dec. 1964 38
No. S.O. 1853, dated 29th Dec. 1964 39
No. S.O. 1854, dated 30th Dec. 1964 39
No. S.O. 1855, dated 6th Jn. 1965 40
No. S.O. 1856, dated 24th Dec. 1964 41–42

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

PART IV

Section 1-C

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT.

ELECTION COMMISSION, INDIA.

NEW DELHI,

Dated the 30*th December*, 1964.
Pausa 9, 1886 (*Saka*).

NOTIFICATION.

No. 83/64.—In exercise of the powers conferred by clause (a) of sub-section (2) of section 81 of the Representation of the People Act, 1951, and in supersession of its Notification No. 83/64, dated the 30th May, 1964, the Election Commission hereby appoints Shri Roshan Lal, Under Secretary to the Election Commission as an officer who may also receive election petitions presented in accordance with the provisions contained in Part VI of the said Act.

By order,

291 PRAKASH NARAIN,
Secretary to the Election Commission.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JANUARY 21, 1965
(MAGHA 1, SAKA ERA 1886). | No. 3

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON— ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT ... ... Nil

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION ... ... Nil

PAGES

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

No. S.O. 1857, dated 24th Dec. 1964 43
No. S.O. 1858, dated 30th Dec. 1964 44
No. S.O. 1859, dated 30th Dec. 1964 45
No. S.O. 1860, dated 31st Dec. 1964 45
No. S.O. 1861, dated 24-26th Dec. 1964 46
No. S.O. 1862, dated 31st Dec. 1964 46
No. S.O. 1863, dated 26th Dec. 1964 47
No. S.O. 1864, dated 17-26th Dec. 1964 48
No. S.O. 1865, dated 30th Dec. 1964 49
No. S.O. 1866, dated 29th Dec. 1964 50
No. S.O. 1867, dated 29th Dec. 1964 ... ... 51—52
No. S.O. 1868, dated 30th Dec. 1964 ... ... 53—54

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG 209.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JANUARY 28, 1965 (MAGHA 8, SAKA ERA 1886). | No. 4

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 86 LCA 64, dated 4th Jan. 1965 9—10

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ... Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT ... ... Nil

PART IV—SECTION 2 A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ... Nil

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 361, dated 20th Jan. 1965 ... ... 7—19

No. G.S.R. 362, dated 20th Jan. 1965 ... ... 21—44

PAGES

No. G.S.R. 363, dated 20th Jan. 1965 ... ... 45—77
No. G.S.R. 364, dated 28–30th Dec. 1964 ... ... 79 –80
Corrigendum No. G.S.R. 365, dated 29th Dec. 1964 ... 81
Corrigendum No. G.S.R. 365a, dated 2nd Jan. 1965 ... 81
No. G.S.R. 366, dated 2nd Jan. 1965 82
No. G.S.R. 367, dated 7th Jan. 1965 83
No. G.S.R. 368, dated 21st Dec. 1964 84
No. G.S.R. 369, dated 18th Dec. 1964 ... ... 85—86
No. G.S.R. 370, dated 28th Dec. 1964 87
No G.S.R. 371, dated 23rd Dec. 1964 88
No. G.S.R. 372, dated 8th Jan. 1965 89

PART IV—SECTION 2-C-(ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 1870, dated 26th Dec. 1964 55
Order No. S.O. 1871, dated 30th Dec. 1964 56
Order No. S.O. 1872, dated 28th Dec. 1964 57
Order No. S.O. 1873, dated 30th Dec. 1964 ... ... 58—59
Order No. S.O. 1874, dated 30th Dec. 1964 60
Order No. S.O. 1875, dated 30th Dec. 1964 61
Order No. S.O. 1875a, dated 30th Dec. 1964 62
Order No. S.O. 1876, dated 30th Dec. 1964 63
No. S.O. 1877, dated 5th Jan. 1965 64
No. S.O. 1878, dated 5th Jan. 1965 64
Corrigendum No. S.O. 1879, dated 6–11th Jan. 1965 ... 65
No. S.O. 1880, dated 5th Dec. 1964 66
No. S.O. 1881, dated 5th Jan. 1965 66
No. S.O. 1882, dated 6th Jan. 1965 67
Order No. S.O. 1883, dated 2nd Jan. 1965 68
Order No. S.O. 1884, dated 28th Dec. 1964 69
Order No. S.O. 1885, dated 2nd Jan. 1965 ... ... 70—71
No. S.O. 1886, dated 2nd Jan. 1965 72
No. S.O. 1887, dated 11th Jan. 1965 73
Order No. S.O. 1888, dated 8th Jan. 1965 74

PAGES
No. S.O. 1889, dated 12th Jan. 1965 75
No. S.O. 1889a, dated 13th Jan. 1965 75
No. S.O. 1890, dated 11th Jan. 1965 ... ... 76—77
No. S.O. 1891, dated 11th Jan. 1965 ... ... 78—79
No. S.O. 1892, dated 11th Jan. 1965 ... ... 80—81
No. S.O. 1893, dated 13th Jan. 1965 82
No. S.O. 1894, dated 11th Jan. 1965 82
No. S.O. 1895, dated 18th Jan. 1965 83
No. S.O. 1896, dated 31st Dec. 1964 84
No. S.O. 1897, dated 15th Jan. 1965 85
No. S.O. 1898, dated 2nd—18th Jan. 1965 86
No. S.O. 1899, dated 11th Jan. 1965 87
No. S.O. 1900, dated 8th Jan. 1965 87
No. S.O. 1901, dated 19th Dec. 1964 88
No. S.O. 1902, dated 19th Dec. 1964 89
No. S.O. 1903, dated 26th Dec. 1964 90
No. S.O. 1904, dated 16th Dec. 1964 91
Erratum No. S.O. 1905, dated 30th Dec. 1964 .. 91
No. S.O. 1906, dated 21st—24th Dec. 1964 92
Order No. S.O. 1907, dated 17th Dec. 1964 92
No. S.O. 1908, dated 29th Dec. 1964 93
No. S.O. 1909, dated 5th Jan. 1965 93
No. S.O. 1910, dated 4th Jan. 1965 94
No. S.O. 1911, dated 6th Jan. 1965 95
No. S.O. 1912, dated 30th—31st Dec. 1964 96
No. S.O. 1913, dated 2nd—4th Jan. 1965 97
No. S.O. 1914, dated 4th—5th Jan. 1965 97
No. S.O. 1915, dated 4th—5th Jan. 1965 98
No. S.O. 1916, dated 2nd—4th Jan. 1965 99

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE—

No. ROC 2258/64, dated 13th Jan. 1965 ..

Reg. No. BG 209.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, FEBRUARY 4, 1965 (MAGHA 15, SAKA ERA 1886). | No 5

PART IV

CONTENTS

PAGES.

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON... ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ... Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT ... ... Nil

PART IV—SECTION 2 A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 373, dated 23rd Jan. 1965 91—98
No. G.S.R. 374, dated 5th Jan. 1965 99—102

[P.T.O.

PAGES

No. G.S.R. 375, dated 19th-21st Jan. 1965 103
No. G.S.R. 376, dated 18th Jan. 1965 ... ... 104—105
No. G.S.R. 377, dated 28th Dec. 1964 ... ... 106—108
No. G.S.R. 378, dated 5th Jan. 1965 109
No. G.S.R. 379, dated 12th Jan. 1965 110
No. G.S.R. 380, dated 29th Jan. 1965 ... ... 85—86

PART IV—SECTION 2-C-(ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 1919, dated 31st Dec. 1964 ... ... 101—102
Declaration No. S.O. 1920, dated 2nd Jan. 1965 ... 103—104
No. S.O. 1921, dated 6th Jan. 1965 105
No. S.O. 1922, dated 6th Jan. 1965 ... ... 106—107
Order No. S.O. 1923, dated 12th Jan. 1965 108
Order No. S.O. 1924, dated 12th Jan. 1965 109
No. S.O. 1925, dated 12th Jan. 1965 110
No. S.O. 1926, dated 13th Jan. 1965 111
Order No. S.O. 1927, dated 18th Jan. 1965 112
No. S.O. 1928, dated 18th Jan. 1965 ... ... 113—114
No. S.O. 1929, dated 11th Jan. 1965 ... ... 115—116
No. S.O. 1930, dated 20th Jan. 1965 117
No. S.O. 1931, dated 20th Jan. 1965 117
No. S.O. 1932, dated 20th Jan. 1965 118
No. S.O. 1933, dated 16th Jan. 1965 ... ... 119—120
Notice No. S.O. 1934, dated 25th Jan. 1965 121
Notice No. S.O. 1935, dated 1st Feb. 1965 122
Order No. S.O. 1936, dated 15th Jan. 1965 ... ... 123—124

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE—

Reg. No. BG 262.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, FEBRUARY 11, 1965
(MAGHA 22, SAKA ERA 1886). | No. 6

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT ... ... Nil

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PAGES

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 383, dated 8th Jan. 1965 113—120
No. G.S.R. 384, dated 2nd Jan. 1965 121—130
No. G.S.R. 385, dated 13th Jan. 1965 131—133
No. G.S.R. 386, dated 20th Jan. 1965 134
No. G.S.R. 387, dated 20th Jan. 1965 134
No. G.S.R. 388, dated 25th Jan. 1965 135
No. G.S.R. 389, dated 20th Jan. 1965 136
No. G.S.R. 390, dated 20th Jan. 1965 137
No. G S R. 391, dated 3rd Feb. 1965 138—144
No G.S.R. 392, dated 21st Jan. 1965 145—147

PART IV—SECTION 2-C-(ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 1939, dated 30th Dec. 1964 ... 129—136
No. S.O. 1940, dated 13-15th Jan. 1965 137
Order No. S.O. 1941, dated 8th Jan. 1965 138
No. S.O. 1942, dated 20th Jan. 1965 139
Order No. S.O. 1943, dated 27th Jan. 1965 ... 140
No. S.O. 1944, dated 16th Jan. 1965 141
No. S.O. 1945, dated 15th Jan. 1965 142—143
No. S.O. 1946, dated 13th Jan. 1965 144—147
No. S.O. 1947, dated 15th Jan. 1965 148—149
No. S.O. 1948, dated 30th Jan. 1965 150
No. S.O. 1949, dated 18th Jan. 1965 ... 150
Corrigendum No. S.O. 1950, dated 19th Jan. 1965 151
Corrigendum No. S.O. 1951, dated 29th Jan. 1965 151
No. S.O. 1952, dated 1st Feb. 1965 152
No. S.O. 1953, dated 23rd Jan. 1965 153
No. S.O. 1954, dated 21st Jan. 1965 154

PAGE

No. S.O. 1955, dated 29th Jan. 1965 154

No. S.O. 1956, dated 22nd Jan. 1965 ... 155

No. S.O. 1957, dated 29th Jan. 1965 ... 156

Order No. S.O. 1958, dated 29th Jan. 1965 156

No. S.O. 1959, dated 21st Jan. 1965 157—158

Order No. S.O. 1960, dated 16th Jan. 1965 ... 159

Addendum No. S.O. 1961, dated 25—27th Jan. 1965 159

PART IV—Section 2-D.

Rules made by the High Court of Mysore Ni

Reg. No. BG 208.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, FEBRUARY 18, 1965
(MAGHA 29, SAKA ERA 1886) | No 7

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 168 LCR 64, dated 18th Sept. 1964... 1—3
Notification No. LAW 169 LCR 64, dated 18th Sept. 1964... 4—53
Notification No. LAW 119 LCR 64 dated 23rd July 1964 ... 54—55
Notification No. LAW 120 LCR 64, dated 23rd July 1964 ... 56—58
Notification No. LAW 185 LCR 64, dated 29th Sept. 1964... 59—60
Notification No. LAW 186 LCR 64, dated 29th Sept. 1964... 61—80
Notification No. LAW 187 LCR 64, dated 29th Sept. 1964... 81—96

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PAGES

PART IV—SECTION 2-B

MYSORE ACTS AND ORDINANCES—

Notification No. LAW 4 LGN 65, dated 15th Feb. 1965 ... 1—4
Notification No. LAW 5 LGN 65, dated 15th Feb. 1965 ... 5—7

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 394, dated 21st Jan. 1965 149
No. G.S.R. 395, dated 17th Dec. 1964 ... ... 150—152
No. G.S.R. 396, dated 20th Jan. 1965 153
No. G.S.R. 397, dated 21st Jan. 1965 ... ... 154—155
No. G.S.R. 398, dated 21st Jan. 1965 156
No. G.S.R. 399, dated 21st Jan. 1965 157
No. G.S.R. 400, dated 29th Jan. 1965 ... ... 158—159
No. G.S.R. 401, dated 1st Feb. 1965 ... ... 160—161
No. G.S.R. 402, dated 30th Jan. 1965 162
No. G.S.R. 403, dated 8th Jan. 1965 ... ... 163—164
No. G.S.R. 404, dated 8th Jan. 1965 ... ... 165—166
No. G.S.R. 405, dated 6th Jan. 1965 167
No. G.S.R. 406, dated 30th Dec. 1964 ... ... 168—172
No. G.S.R. 408, dated 16th Feb. 1965 173

PART IV—SECTION 2-C (ii)

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 1966, dated 12th Jan. 1965 ... ... 161—165
Order No. S.O. 1967, dated 12th Jan. 1965 166
No. S.O. 1968, dated 21st Jan. 1965 ... ... 167—168
No. S.O. 1969, dated 23rd Jan. 1965 169
Corrigendum No. S.O. 1970, dated 22nd Jan. 1965 ... 169
No. S.O. 1971, dated 27th Jan. 1965 170
No. S.O. 1972, dated 26-29th Jan. 1965 171

PAGES

No. S.O. 1973, dated 29th Jan. 1965 172
No. S.O. 1974, dated 29th Jan. 1965 ... 173
Corrigendum No. S.O. 1975, dated 6th Feb. 1965 174
No. S.O. 1976, dated 26-29th Jan. 1965 174
No. S.O. 1977, dated 30th Jan. 1965 ... 175—176
Order No. S.O. 1978, dated 25th Jan. 1965 ... 177
Order No. S.O. 1979, dated 29th Jan. 1965 178
Order No. S.O. 1980, dated 29th Jan. 1965 ... 179
Order No. S.O. 1981, dated 29th Jan. 1965 ... 180
Order No. S.O. 1982, dated 29th Jan. 1965 ... 181
Order No. S.O. 1983, dated 29th Jan. 1965 182
No. S.O. 1984, dated 3rd Feb. 1965 183
No. S.O. 1985, dated 8th Feb. 1965 184—185
No. S.O. 1986, dated 8th Feb. 1965 186—187
No. S.O. 1987, dated 3rd Feb. 1965 188—189
No. S.O. 1988, dated 3rd Feb. 1965 190—191
No. S.O. 1989, dated 19th Jan. 1965 192
No. S.O. 1990, dated 9th Feb. 1965 193
No. S.O. 1991, dated 30th Jan. 1965 194
No. S.O. 1992, dated 30th Jan. 1965 195
No. S.O. 1993, dated 5th Feb. 1965 196
No. S.O. 1994, dated 5th Feb. 1965 196
No. S.O. 1995, dated 5th Feb. 1965 197
No. S.O. 1996, dated 25th Jan. 1965 198
No. S.O. 1997, dated 27th Jan. 1965 199
No. S.O. 1998, dated 2nd Feb. 1965 200
No. S.O. 1999, dated 12th Jan. 1965 201
No. S.O. 2000, dated 18th Jan. 1965 202
No. S.O. 2001, dated 12th Jan. 1965 203
Order No. S.O. 2002, dated 29th Jan. 1965 ... 204
Notice No. S.O. 2003, dated 6th Feb. 1965 ... 205
No. S.O. 2004, dated 23rd Jan. 1965 206—207
No. S.O. 2005, dated 12th Jan. 1965 208—209
No. S.O. 2006, dated 2nd Feb. 1965 210—211
No. S.O. 2007, dated 18th Jan. 1965 ... 212—216

PAGES

No. S.O. 2008, dated 29th Jan.–2nd Feb. 1965 ... 217
No. S.O. 2009, dated 2nd Feb. 1965 217
Corrigendum No. S.O. 2010, dated 5th Feb. 1965 ... 218
No. S.O. 2011, dated 2nd–9th Feb. 1965 218

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. BG [illegible]

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, FEBRUARY 25, 1965
(PHALGUNA 6, SAKA ERA 1886) | No 8

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 75 LCA 64, dated 19th-21st Nov. 1964 1—4 [11—14]
Notification No. LAW 77 LCA 64, dated 19th-21st Nov. 1964 5—17 [15—27]
Notification No. LAW 76 LCA 64, dated 19th-21st Nov. 1964 8—56 [28—66]

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 1 LCR 56, dated 8th Feb. 1965 49—50
Notification No. 83/65, dated 8th Feb. 1965 51
Notification No. LAW 11 LCR 65, dated 6th Feb. 1965 52—53
Notification No LAW 5 LCR 65 dated 6th Feb. 1965 54
Notification No. LAW 8 LCR 65, dated 8th Feb. 1965 55
Notification No. LAW 10 LCR 65, dated 8th Feb. 1965 56—57

PAGES

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON—

Notification No. 14198/L .A., dated 18th Feb. 1965

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ...

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 409, dated 20th–22nd Jan. 1965 ... ... 175—206
No. G.S.R. 410, dated 8th Jan. 1965 ... ... 207—208
No. G.S.R. 410a, dated 8th Jan. 1965 ... ... 209—214
No. G.S.R. 411, dated 11th Feb. 1965 ... ... 215—216
No. G.S.R. 412, dated 25th Jan. 1965 ... ... 217—218
No. G.S.R. 413, dated 11th Feb. 1965 219

PART IV—SECTION 2-C-(ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2014, dated 30th Dec. 1964 ... ... 219—230
No. S.O. 2015, dated 30th Dec. 1964 ... ... 231—234
No. S.O. 2016, dated 29th Dec. 1964 ... ... 235—238
No. S.O. 2017, dated 19th Jan. 1965 239
No. S.O. 2018, dated 5th Feb. 1965 240
No. S.O. 2019, dated 23rd Jan.-6th Feb. 1965 ... 241
No. S.O. 2020, dated 5th Dec. 1964 ... ... 242—247
Order No. S.O. 2021, dated 29th Jan. 1965 ... ... 248—249
No. S.O. 2022, dated 30th Jan. 1965 250
Declaration No. S.O. 2023, dated 8-12th Jan. 1965 ... 251—252
No. S.O. 2024, dated 17th Feb. 1965 253
No. S.O. 2025, dated 27th Jan. 1965 254

PAGES

No. S.O. 2026, dated 12th Feb. 1965 255
Notice No. S.O. 2027, dated 19th Feb. 1965 ... 256
Notice No. S.O. 2028, dated 19th Feb. 1965 ... 257
No. S.O. 2029, dated 9th Feb. 1965 ... 258
No. S.O. 2030, dated 18th Feb. 1965 ... 259
Order No. S.O. 2031, dated 2nd Feb. 1965 ... ... 260—261
No. S.O. 2032, dated 5-8th Jan. 1965 ... 262—263
No. S.O. 2033, dated 9th Feb. 1965 264
No. S.O. 2034, dated 17-18th Feb. 1965 ... 265
No. S.O. 2035, dated 17-18th Feb. 1965 ... 266
No. S.O. 2036, dated 18th Feb. 1965 267
Order No. S.O. 2037, dated 8th Feb. 1965 268
No. S.O. 2038, dated 9th Feb. 1965 269
No. S.O. 2039, dated 15th Feb. 1965 270
No. S.O. 2040, dated 12th Feb. 1965 271
No. S.O. 2041, dated 12th Feb. 1965 272
No. S.O. 2042, dated 12th Feb. 1965 273
No. S.O. 2043, dated 12th Feb. 1965 274
Order No. S.O. 2044, dated 7th Jan. 1965 275—281
Order No. S.O. 2045, dated 7th Jan. 1965 282—291
No. S.O. 2046, dated 8th Feb. 1965 292—293
No. S.O. 2047, dated 9th Feb. 1965 294—295
No. S.O. 2048, dated 11th Feb. 1965 296
No. S.O. 2049, dated 11th Feb. 1965 296
No. S.O. 2050, dated 12th Feb. 1965 297
No. S.O. 2051, dated 15th Feb. 1965 298—299
No. S.O. 2052, dated 17th Feb. 1965 300—301
No. S.O. 2053, dated 18th Feb. 1965 302
No. S.O. 2054, dated 18th Feb. 1965 302
No. S.O. 2055, dated 18th Feb. 1965 303
No. S.O. 2056, dated 18th Feb. 1965 303
Order No. S.O. 2057, dated 12th Feb. 1965 ... 304

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

B

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, MARCH 4, 1965
(PHALGUNA 13, SAKA ERA 1886). | No. 9

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. RD 3 CWF 65, dated 6th Feb. 1965 59—60

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 414, dated 18th Feb. 1965 221
No. G.S.R. 415, dated 10th Feb. 1965 222

			Pages
No. G.S.R. 416, dated 5th Feb. 1965	...	...	223
No. G.S.R. 417, dated 16th Feb. 1965	...	...	224
Order No. G.S.R. 418, dated 12th Feb. 1965	...	...	225
No. G.S.R. 419, dated 11th Feb. 1965	...	...	226
No. G.S.R. 420, dated 20th Feb. 1965	...	...	227—228

PART IV—SECTION 2-C-(ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2063, dated 18th Jan. 1965	...	...	305—308
Order No. S.O. 2064, dated 4th Jan. 1965	...	...	309—312
Order No. S.O. 2065, dated 4th Jan. 1965	...		313—316
No. S.O. 2066, dated 2nd Feb. 1965	...	...	317—318
No. S.O. 2067, dated 19th Feb. 1965	...	...	319
No. S.O. 2068, dated 19th Feb. 1965	...	...	320
No. S.O. 2069, dated 9th Feb. 1965	...	...	321
No. S.O. 2070, dated 19th Feb. 1965	...	...	322
No. S.O. 2071, dated 18th Feb. 1965	...	...	323
No. S.O. 2072, dated 3rd Feb. 1965	...	...	324—325
No. S.O. 2073, dated 30th Jan. 1965	...	...	326—328
No. S.O. 2074, dated 20th Feb. 1965	...	...	329
No. S.O. 2075, dated 22nd Feb. 1965	...	...	330
No. S.O. 2076, dated 20th Feb. 1965	...	...	331—332
No. S.O. 2077, dated 20th Feb. 1965	...	...	333—334
No. S.O. 2078, dated 20th Feb. 1965	...	...	335
Order No. S.O. 2079, dated 15th Jan. 1965	...	...	336—337
No. S.O. 2080, dated 15th Feb. 1965	...	...	338
Notice No. S.O. 2081, dated 26th Feb. 1965	...	...	339
Notice No. S.O. 2083, dated 26th Feb. 1965	...	...	340

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

PART IV

Section 1-C

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT.

NOTIFICATION.

(REVENUE DEPARTMENT)

No. RD 3 OWF 65 Bangalore, dated the 6th February 1965.

The Notification No. 8(1)/64-MW., dated the 31st December 1964, of the Government of India, Ministry of Petroleum and Chemicals, New Delhi, is hereby republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

N. NARASIMHA RAU,
299 *Secretary to Govt., R. D.*

GOVERNMENT OF INDIA,

MINISTRY OF PETROLEUM AND CHEMICALS

New Delhi, the 31st December 1964.

NOTIFICATION

No. 8(1)/64—M.W.—In exercise of the powers conferred by Sections 8A of the Wakf Act, 1954 (29 of 1954), the Central Government hereby establishes, with effect from the 19th December, 1964 the Central Wakf Council and appoints the following persons as members of the said Council namely :—

1. Shri Mir Ahmed Ali Khan,
   Home Minister, Government
   of Andhra Pradesh, Hyderabad.
2. Shri Fakhruddin Ali Ahmed,
   Minister of Finance, Assam, Shillong.
3. Shri Shaha at Hussain, B.L.,
   3/B, Congress Exhibition Road, Calcutta.

4. Shri M.A.M. Kashani,
17, Mangoe Lane, Calcutta.
5. Shri Abdul Qayum Ansari,
Minister of Health and Jails, **Patna.**
6. Mr. Justice Khalil Ahmad,
Patna High Court, Patna.
7. Shri Ghulam Rasul Koreishi,
C/o Sabarmati Ashram, Ahmedabad.
8. Shri P. P. Ummer Koya,
Convent Road, Calicut-1.
9. Shri Peerzada Noor Ali Sah,
Burhanpur (M. P.)
10. Shri Bashir Ahmed Sayeed,
Ex-High Court Judge,
"Sadhr Gardens",
P. O. Teynampet, Madras-18.
11. Dr Rafiq Zakaria,
Minister, Government of
Maharashtra, Bombay.
12. Dr. Y. Najmuddin, D. LITT.,
Badri Mahal,
Dadabhai Naoroji Road, Bombay-1.
13. Shri Mohamed Ali,
President, Mysore Pradesh
Congress Committee,
Race Course Road, Banagalore.
14. Shri Latifur Rahman,
Pleader, Puri.
15. H. H. Nawab Iftikhar Ali Khan,
Nawab of Malerkotla, Malerkotla.
16. Shri Yusuf Mian Maharajn, Khadim,
Dargah Khwaja Sahib, Ajmer.
17. Dr. Ali Zaheer,
Minister, Uttar Pradesh Government,
Lucknow.
18. Maulana Azad Madani,
Madani Manzil,
Deoband, Saharanpur.
19. Mufti Atiqur Rahman,
Jamiatul Ulemai Hindu,
Gali Qasimjan, Delhi-6.
20. Shri G. M. Sadiq,
Prime Minister,
Jammu and Kashmir, Jammur.

S. M. NAQAVAI,
Deputy Secy.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

Reg. No. BG [illegible].

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, MARCH 11, 1965 (PHALGUNA 20, SAKA ERA 1886). | No. 10

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... . Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. RD 243 FSU 64, dated 18th Feb. 1965 61—73
Notification No. LAW 3 LCR 65, dated 19th Feb.. 1965 74
Notification No. RD 64 FSU 63, dated 18th Feb. 1965 75

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Notification No. LAW 10 LGN 65, dated 6th Feb. 1965 ... 9—10

PAGES

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 414, dated 18th Feb. 1965 229
No. G.S.R. 415, dated 10th Feb. 1965 230
No. G.S.R. 423, dated 5th Feb. 1965 231
No. G.S.R. 424, dated 18th Feb. 1965 232
No. G.S.R. 425, dated 18th Feb. 1965 233
No. G.S.R. 426, dated 19th Feb. 1965 234

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

No. S.O. 1940, dated 13th—15th Jan. 1965 ... 341—393
No. S.O. 2087, dated 2nd March 1965 394
No. S.O. 2088, dated 2nd Feb. 1965 395—399
No. S.O. 2089, dated 24th Feb. 1965 400
No. S.O. 2090, dated 19th Feb. 1965 400
No. S.O. 2090A, dated 27th Feb. 1965 401
No. S.O. 2091, dated 20th Feb. 1965 402
No. S.O. 2092, dated 25th Feb. 1965 403—404
No. S.O. 2093, dated 13th Jan. 1965 405—410
No. S.O. 2094, dated 22nd Feb. 1965 411
No. S.O. 2095, dated 22nd Feb. 1965 411
No. S.O. 2096, dated 2nd—4th March 1965 412

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG [illegible]

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, MARCH 18, 1965
(PHALGUNA 27, SAKA ERA 1886). | No. 11

PART IV

CONTENTS

PAGES

PART IV—Section 1-A.

Central Bills and Reports of the Select Committees thereon ... ... Nil

PART IV—Section 1-B.

Central Acts and Ordinances Nil

PART IV—Section 1-C.

General Statutory Rules and Statutory Orders issued by the Central Government and Orders made by the President and republished by the State Government ... ... Nil

PART IV—Section 2-A.

Mysore Bills and Reports of Select Committees thereon ... ... Nil

PART IV Section 2-B.

Mysore Acts and Ordinances Nil

PART IV—Section 2-C (i)

General Statutory Rules Issued by the State Government under the Central Acts and State Acts and Rules made by the Governor under the Constitution—

No. G.S.R. 428 dated 3rd March 1965 235—236
No. G.S.R. 429, dated 23rd Feb. 1965 237—238

PAGES

No. G.S.R. 430, dated 2nd March 1965 239—240
No. G.S.R. 431, dated 3rd March 1965 241—242
No. G.S.R. 432, dated 17th Feb. 1965 243
No. G.S.R. 433, dated 19th Feb. 1965 244

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2097, dated 16th Jan. 1965 ... 413—417
No. S.O. 2098, dated 18th Jan. 1965 418—423
No. S.O. 2099, dated 30th Jan. 1965 424—427
No. S.O. 2100, dated 3rd March 1965 ... 428
No. S.O. 2101, dated 27th Feb.—9th March 1965 429
No. S.O. 2102, dated 9th March 1965 ... 430
Order No. S.O. 2103, dated 26th Feb.—9th March 1965 431
No. S.O. 2104, dated 9th March 1965 432
No. S.O. 2105, dated 26th Feb. 1965 433
No. S.O. 2106, dated 3rd March 1965 ... 434
Notice No. S.O. 2107, dated 11th March 1965 435
Corrigendum No. S.O. 2108, dated 22nd March 1965 436
Order No. S.O. 2109, dated 11th Jan. 1965 ... 437—439
No. S.O. 2110, dated 4th March 1965 440
No. S.O. 2111, dated 27th Feb. 1965 ... 441
No. S.O. 2112, dated 27th Feb.—4th March 1965 442—443
No. S.O. 2113, dated 5th March 1965 444
No. S.O. 2114, dated 5th March 1965 444
No. S.O. 2115, dated 20th Feb. 1965 445
No. S.O. 2116, dated 5th March 1965 445
No. S.O. 2117, dated 22nd Feb. 1965 446
No. S.O. 2118, dated 8th March 1965 447
No. S.O. 2119, dated 16th March 1965 448
No. S.O. 2120, dated 12th March 1965 ... 449

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG [illegible]

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, MARCH 25, 1965 (CHAITRA 4, SAKA ERA 1887). | No. 12

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1 B.

CENTRAL ACTS AND ORDINANCES—

Notification No LAW 15 LCA 65, dated 9th March 1965 1–5

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. GAD 24 SHC 65, dated 11th March 1965 ... 77
Notification No. GAD 24 SHC 65, dated 11th March 1965... 78
Notification No. FD 20 GCO 64, dated 25th Feb. 1965 79—80

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ... Nil

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 435, dated 8th January 1965 245—278
No. G.S.R. 437, dated 20th Feb. 1965 279

PAGES
No. G.S.R. 437a, dated 20th Feb. 1965 280—285
No. G.S.R. 438, dated 3rd March 1965 286—287
No. G.S.R. 439, dated 4th March 1965 288
No. G.S.R. 440, dated 4th March 1965 289—290
No. G.S.R. 441, dated 6th March 1965 291
No. G.S.R. 442, dated 4th March 1965 292—293
No. G.S.R. 443, dated 10th Feb. 1965 ... 294—307

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2123, dated 30th Dec. 1964 ... 451—456
No. S.O. 2124, dated 4th March, 1965 457
No. S.O. 2125, dated 4th March 1965 458
No. S.O 2126, dated 4th March 1965 459
No. S.O. 2127, dated 5th March 1965 460
No. S.O. 2128, dated 6th March 1965 461
Order No. S.O. 2129, dated 9th March 1965 ... 462
Order No. S.O. 2130, dated 2nd March 1965 ... 463—464
Order No. S.O. 2133, dated 8th March 1965 ... ... 465—468
Order No. S.O. 2134, dated 12th Jan. 1965 ... 469—474
No. S.O. 2135, dated 3rd March 1965 475—477
No. S.O. 2136, dated 16th March 1965 478
No. S.O. 2137, dated 27th Feb. 1965 479
No. S.O. 2138, dated 5th March 1965 480—481
Order No. S.O. 2139, dated 5th March 1965 .. 482—483
No. S.O. 2140, dated 15th March 1965 484
No. S.O. 2141, dated 12th March 1965 485
No. S.O. 2142, dated 2nd—4th March 1965 ... 485
No. S.O. 2143, dated 2nd—4th March 1965 486
Order No. S.O. 2144, dated 15th March 1965... 487—488

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG [illegible].

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 — BANGALORE, THURSDAY, APRIL 1, 1965 (CHAITRA 11, SAKA ERA 1887). — No. 13

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES .. Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. GAD 78 SPS 61, dated 19th March 1965 ... 81

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

Corrigendum No. G.S.R. 445, dated 16-18th March 1965 309
No. G.S.R. 446, dated 2nd March 1965 310—313

PAGES

No. G.S.R. 447, dated 16th March 1965 ... ... 314—316
No. G.S.R. 448, dated 24th Feb. 1965 ... ... 317—318
No. G.S.R. 449, dated 1st Feb. 1965 ... 319—329
No. G.S.R. 450, dated 19th March 1965 ... ... 330—331
No. G.S.R. 451, dated 2nd March 1965 332
No. G.S.R. 452, dated 12th March 1965 333
No. G.S.R. 453, dated 11th March 1965 334
No. G.S.R. 454, dated 9th March 1965 ... ... 335—336

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

No. S.O. 2151, dated 18th Jan. 1965 ... ... 489—494
No. S.O. 2152, dated 6th March. 1965 495
No. S.O. 2153, dated 16th March 1965 495
Order No. S.O. 2154, dated 15th March 1965... ... 496
Order No. S.O. 2155, dated 15th March 1965... ... 497
No. S.O. 2156, dated 17th March 1965 498
No. S.O. 2157, dated 15—19th March 1965 499
No. S.O. 2158, dated 15th March 1965 500
No. S.O. 2159, dated 25th March 1965 501
No. S.O. 2160, dated 23rd March 1965 502
No. S.O. 2161, dated 23rd March 1965 503
Order No. S.O. 2162, dated 23rd March 1965... ... 503
Order No. S.O. 2136, dated 24th March 1965... ... 504
Order No. S.O. 2164, dated 24th March 1965... ... 505
No. S.O. 2165, dated 26th Feb.—2nd March 1965 ... 506—507
No. S.O. 2166, dated 12—15th March 1965 508
No. S.O. 2167, dated 10—11th March 1965 509
No. S.O. 2168, dated 12—17th March 1965 510
No. S.O. 2169, dated 18th March 1965 511
No. S.O. 2170, dated 15th March 1965 512
Order No. S.O. 2171, dated 17th March 1965... ... 513
No. S.O. 2172, dated 15th March 1965 514
No. S.O. 2173, dated 15th March 1965 515

PAGES
No. S.O. 2174, dated 19th March 1965 516
No. S.O. 2175, dated 23rd March 1965 517
No. S.O. 2176, dated 24th March 1965 518
No. S.O. 2177, dated 16th March 1965 519—520
No. S.O. 2178, dated 16th March 1965 521—522
No. S.O. 2179, dated 16th March 1965 ... 523—524
No. S.O. 2180, dated 19th March 1965 ... 525
Order No. S.O. 2181, dated 23rd March 1965... 526
No. S.O. 2182, dated 22nd March 1965 527
Order No. S.O. 2183, dated 24th March 1965... 528
Order No. S.O. 2184, dated 24th March 1965... 529
No. S.O. 2185, dated 27th March 1965 530
No. S.O. 2186, dated 24th March 1965 530
No. S.O. 2188, dated 26th March 1965 531

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG [illegible]

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, APRIL 8, 1965 (CHAITRA 18, SAKA ERA 1887). | No. 14

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES .. Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 4 LCR 65, dated 2nd March 1965 ... 83—84
Notification No. LAW 15 LCR 65, dated 2nd March 1965 ... 85
Notification No. LAW 12 LCR 65, dated 2nd March 1965 ... 86
Notification No. LAW 14 LCR 65, dated 2nd March 1965 ... 87—88
Notification No. LAW 16 LCR 65, dated 2nd March 1965 ... 89—91

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON—

Corrigenda No. 252/LA, dated 3rd April 1965 3—4

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PAGES

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 456, dated 15th March 1965 ... ... 337—339
No. G.S.R. 457, dated 16th March 1965 340
No. G.S.R. 458, dated 8th March 1965 ... ... 341—343
No. G.S.R. 459, dated 24th March 1965 ... ... 344—346
No. G.S.R. 460, dated 20th March 1965 347

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2189, dated 22nd Feb. 1965 ... ... 533—541
No. S.O. 2190, dated 23rd March 1965 542
No. S.O. 2191, dated 23rd March 1965 543
No. S.O. 2192, dated 11/19th March 1965 544
Order No. S.O. 2139, dated 20th March 1965—No. S.O. 2194, dated 23rd March 1965. ... 545
No. S.O. 2195, dated 20th March 1965 ... ... 546—547
No. S.O. 2196, dated 25th March 1965—No. S.O. 2197, dated 25th March 1965. ... 548
No. S.O. 2198, dated 25th March 1965 549
No. S.O. 2199, dated 31st March 1965 550
No. S.O. 2200, dated 23rd March 1965 551
No. S.O. 2201, dated 26th March 1965 552
No. S.O. 2202, dated 26th March 1965 553
No. S.O. 2203, dated 26th March 1965 554
No. S.O. 2104, dated 30th—31st March 1965... ... 555
No. S.O. 2205 dated 5th April 1965 556
No. S.O. 2206, dated 31st March 1965 ... ... 557—558

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, APRIL 15, 1965 (CHAITRA 25, SAKA ERA 1887). | No. 15

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ... Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 22 LCR 65, dated 15th March 1965 .. 93

Notification No. LAW 23 LCR 65, dated 15th March 1965 .. 94

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PAGES

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 463, dated 16th February 1965 349
No. G.S.R. 464, dated 23rd March 1965 350
No. G.S.R. 465, dated 17th March 1965 351
No. G.S.R. 466, dated 24th March 1965 352
No. G.S.R. 467, dated 25th March 1965 352
No. G.S.R. 468, dated 25th March 1965 353
No. G.S.R. 469, dated 25th March 1965 353
No. G.S.R. 470, dated 25th March 1965 354
No. G.S.R. 471, dated 25th March 1965 354
No. G.S.R. 472, dated 20th March 1965 355
No G.S.R. 473, dated 20th March 1965 356

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

No. S.O. 2209, dated 27th March 1965 559
No. S.O. 2210, dated 26th March 1965 560
No. S.O. 2211, dated 9th March 1965 ... ... 561—564
No. S.O. 2212, dated 24th March 1965 ... ... 565—567
No. S.O. 2213, dated 16th January 1965 ... ... 568—572
No. S.O. 2214, dated 27th March 1965 573
No. S.O. 2215, dated 7th April 1965 ... ... 574—580
No. S.O. 2216, dated 27th March 1965 581
No. S.O. 2217, dated 27th March 1965 582
No. S.O. 2218, dated 27th March 1965 583
No. S.O. 2219, dated 26th March 1965 584
No. S.O. 2220, dated 25th March 1965 584
No. S.O. 2221, dated 27th March 1965 585
No. S.O. 2222, dated 27th March 1965 585

PAGES
No. S.O. 2223, dated 29th March 1965 586
No. S.O. 2224, dated 29th March 1965 587
No. S.O. 2225, dated 24th March 1965 587
No. S.O. 2226, dated 29th March 1965 588
No. S.O. 2227, dated 6th April 1965 589
No. S.O. 2228, dated 30th March 1965 596—597

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Page

No. S.O. 2223, dated 29th March 1965 586
No. S.O. 2224, dated 29th March 1965 ... 587
No. S.O. 2225, dated 24th March 1965 ... 587
No. S.O. 2226, dated 29th March 1965 588
No. S.O. 2227, dated 6th April 1965 589
No. S.O. 2228, dated 30th March 1965 ... ... 596—597

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. [illegible]

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, APRIL 22, 1965 (VAISHAKHA 2, SAKA ERA 1887). | No. 16

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ..

PART IV—SECTION 1-C.

CENTRAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 34 LCR 65, dated 6th March 1965 ... 95
Notification No. LAW 33 LCR 65, dated 4th March 1965 ... 96
Notification No. LAW 21 LCR 65, dated 15th March 1965 ... 97
Notification No. LAW 2 LCR 65, dated 2nd March 1965 ... 98

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 474, dated 25th March 1965 ... ... 357—411
No. G.S.R. 475, dated 8th April 1965 412
No. G.S.R. 476, dated 17th April 1965 ... ... 413—414
No. G.S.R. 477, dated 1st April 1965 415
No. G.S.R. 478, dated 7th April 1965 ... ... 416—417
No. G.S.R. 479, dated 7th April 1965 ... ... 418—419

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

No. S.O. 2229, dated 23rd January 1965 ... ... 598—603
No. S.O. 2230, dated 1st April 1965 604
No. S.O. 2231, dated 1st April 1965 605
No. S.O. 2232, dated 27th March 1965 606
No. S.O. 2233, dated 30th March 1965 ... ... 607—609
No. S.O. 2234, dated 29th March 1965 ... ... 610—611
No. S.O. 2235, dated 29th March 1965 ... ... 612—613
No. S.O. 2236, dated 8th April 1965 ... ... 614—615
No. S.O. 2237, dated 7th April 1965 616
No. S.O. 2238, dated 23rd-26th March 1965 617
No. S.O. 2239, dated 15th April 1965 618
No. S.O. 2240, dated 15th April 1965 619
No. S.O. 2241, dated 15th April 1965 620
No. S.O. 2242, dated 3rd April 1965 ... ... 621—625
No. S.O. 2243, dated 30th March 1965 ... ... 626—627
No. S.O. 2244, dated 19th April 1965 ... ... 628—630

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. [illegible]

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, APRIL 29, 1965
(VAISHAKHA 9, SAKA ERA 1887). | No. 17

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. OI 85 BCS 65, dated 6th April 1965 99

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PAGES

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 464, dated 23rd March 1965 421
No. G.S.R. 480, dated 25th September 1964 ... ... 422—424
No. G.S.R. 481, dated 30th March 1965 425
No. G.S.R. 482, dated 29th March 1965 426
No. G.S.R. 483, dated 29th March 1965 427
No. G.S.R. 484, dated 29th March 1965 428
No. G.S.R. 485, dated 31st Dec. 1965 ... ... 429—455
No. G.S.R. 486, dated 25th March 1965 456
No. G.S.R. 487, dated 7th April 1965 457
No. G.S.R. 488, dated 5th April 1965 458
No. G.S.R. 489, dated 9th April 1965 459
No G.S.R. 490, dated 27th March 1965 ... ... 460—467

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

No. S.O. 2246, dated 11th Feb. 1965 ... ... 631—650
Order No. S.O. 2247, dated 26th March 1965 ... ... 651—652
Order No. S.O. 2248, dated 27th January-4th March 1965 ... 653—654
No. S.O. 2249, dated 74th April 1965 655
No. S.O. 2250, dated 9th April 1965 ... ... 656—658
No. S.O. 2251, dated 12th April 1965 ... ... 659—661
No. S.O. 2252, dated 12th April 1965 662
Erratum No. S.O. 2253, dated 23rd April 1965 ... 662
Order No. S.O. 2254, dated 12th January 1964 ... 663—676
Order No. S.O. 2255, dated 16th January 1965 ... 677—684
Order No. S.O. 2256, dated 2nd-3rd Feb. 1965 ... 685—690
No. S.O. 2257, dated 10th Feb. 1965 ... ... 691—695
Order No. S.O. 2258, dated 1st April 1965 696
Order No. S.O. 2259, dated 30th March 1965 697
Order No. S.O. 2260, dated 27th March 1965 698
Order No. S.O. 2261, dated 3rd April 1965 699

PAGES

Order No. S.O. 2262, dated 3rd April 1965 ... 700
No. S.O. 2263, dated 9th April 1965 701—702
No. S.O. 2264, dated 31st March 1965 703
Order No. S.O. 2265, dated 14th April 1965 ... 704—705
Order No. S.O. 2266, dated 14th April 1965 706
Order No. S.O. 2267, dated 27th March 1965 ... 707
No. S.O. 2268, dated 26th March 1965 708
No. S.O. 2269, dated 30th March 1965 708
No. S.O. 2270, dated 3rd March 1965 709
Order No. S.O. 2271, dated 9th April 1965 710
Order No. S.O. 2272, dated 6th April 1965 711—712
No. S.O. 2273, dated 9th April 1965 713
No. S.O. 2274, dated 7th April 1965 ... 713
No. S.O. 2275, dated 30th March 1965 ... 714
No. S.O. 2276, dated 12th April 1965 715
No. S.O. 2277, dated 9th April 1965 716
No. S.O. 2278, dated 24th March 1965 717
No. S.O. 2279, dated 26th March 1965 718
No. S.O. 2280, dated 26th March 1965 719
No. S.O. 2281, dated 29th March 1965 720
No. S.O. 2282, dated 29th March 1965 721
No. S.O. 2283, dated 29th March 1965 722
No. S.O. 2284, dated 30th March 1965 723—724
No. S.O. 2285, dated 20th April 1965 725
No. S.O. 2286, dated 24th April 1965 726
No. S.O. 2287, dated 31st March 1965 727—728
No. S.O. 2288, dated 23rd April 1965 729—730
No. S.O. 2289, dated 9th April 1965 731—733

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE—

No. R.O.C. 1842-57, dated 12th April 1965

Reg. No. B[illegible]

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, MAY 6, 1965
(VAISHAKHA 16, SAKA ERA 1887) | No. 18

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 30 LCA 65, dated 5th April 1965 ... 67—68

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES .. Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 44 LCR 65, dated 26th March 1965 ... 101
Notification No. LAW 43 LCR 65, dated 26th March 1965 ... 102—103
Notification No. LAW 28 LCR 65, dated 16th March 1965 ... 104
Notification No. LAW 29 LCR 65, dated 11th March 1965 ... 105
Notification No GAD 88 SPS 63, dated 22nd April 1965 ... 106
Notification No. LAW 17 LCR 65, dated 15th March 1965 ... 107
Notification No. LAW 40 LCR 65, dated 15th March 1965 ... 108

PAGES
Notification No. LAW 29 LCR 65, dated 15th March 1965 ... 109
Notification No. LAW 27 LCR 65, dated 15th March 1965 ... 110

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 491 dated 23rd April 1965 469
No. G.S.R. 491a, dated 23rd April 1965 ... ... 470—489
No. G.S.R. 492 dated 23rd March 1965 ... ... 490—514
No. G.S.R. 493, dated 21st April 1965 515
No. G.S.R. 494, dated 12th April 1965 ... ... 516—517
No. G.S.R. 495, dated 12th April 1965 518
No. G.S.R. 496, dated 9th April 1965 ... ... 519—521
No. G.S.R. 497, dated 31st March 1965 ... ... 522—524
No. G.S.R. 498, dated 21st April 1965 ... ... 525—527
No. G.S.R. 499, dated 19th April 1965 528
Corrigendum No. G.S.R. 500, dated 23rd April 1965 ... 529

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2294, dated 30th Dec. 1964 ... ... 739—740
Order No. S.O. 2295, dated 21st April 1965 ... ... 741—744
Order No. S.O. 2296, dated 21st—22nd April 1965 ... 745—748
Order No. S.O. 2297, dated 22nd April 1965 ... ... 749—752
No. S.O. 2298, dated 20th April 1965 753

PAGES

Order No. S.O. 2299, dated 12th March-17th April 1965 754

Order No. S.O. 2301 dated 22nd April 1965 ... 755

No. S.O. 2302, dated 22nd April 1965 756

No. S.O. 2303, dated 24th April 1965 757

Order No. S.O. 2304, dated 24th April 1965 758

Order No. S.O. 2305, dated 26th April 1965 759

No. S.O. 2306, dated 27th April 1965 760

Corrigendum No. S.O. 2307, dated 24th April 1965 ... 761

Addendum No. S.O. 2308, dated 24th April 1965 761

No. S.O. 2309, dated 12th April 1965 762

No. S.O. 2310, dated 17th April 1965 763

No. S.O. 2311, dated 21st April 1965 763

No. S.O. 2312, dated 15th April 1965 764

Erratum No. S.O. 2313, dated 17th April 1965 ... 765

No. S.O. 2314, dated 24th April 1965 766

No. S.O. 2315, dated 24th April 1965 767

No. S.O. 2316, dated 24th April 1965 768

No. S.O. 2317, dated 23rd April 1965 769

Order No. S.O. 2318, dated 3rd April 1965 ... 770—774

No. S.O. 2319, dated 9th April 1965 775

No. S.O. 2320, dated 22nd April 1965 ... 776—777

No. S.O. 2321, dated 29th April 1965 ... 778

No. S.O. 2322, dated 29th April 1965 778

No. S.O. 2323, dated 23rd April 1965 ... 779

No. S.O. 2324, dated 23rd April 1965 ... 780

No. S.O. 2325, dated 23rd April 1965 ... 781

No. S.O. 2326, dated 23rd April 1965 ... 782

No. S.O. 2327, dated 19th April 1965 ... 783

No. S.O. 2328, dated 23rd April 1965 784—785

No. S.O. 2329, dated 23rd April 1965 786—788

No. S.O. 2330, dated 27th April 1965 789—790

No. S.O. 2331, dated 27th April 1965 791—792

No. S.O. 2332, dated 26th April 1965 793—795

No. S.O. 2333, dated 28th April 1965 796—797

No. S.O. 2334, dated 21st April 1965 798

No. S.O. 2335, dated 21st April 1965 799

PAGES

Order No. S.O. 2336, dated 26th April 1965 ... 800

Order No. S.O. 2337, dated 15th April 1965 ... 801—809

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, MAY 13, 1965
(VAISHAKHA 23, SAKA ERA 1887). | No. 19

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 32 LCA 65, dated 6th April 1965 69—71
Notification No. LAW 83 LCA 65, dated 5th April 1965 72—73

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES .. Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 31 LCR 65, dated 23rd Feb. 1965 ... 111—112

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PAGES

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Notification No. LAW 44 LGN 63, dated 7th May 1965 11—49

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 493, dated 21st April 1965 531
No. G.S.R. 495, dated 12th April 1965 532
No. G.S.R. 502, dated 3rd April 1965 533—541
No. G.S.R. 503, dated 26th March 1965 542—543

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2341, dated 8th Jan. 1965 811—816
Order No. S.O. 2342, dated 22nd April 1965 ... 817—822
Order No. S.O. 2343, dated 27th April 1965 ... 823—838
Order No. S.O. 2344, dated 30th Dec. 1964 ... 839—848
Order No. S.O. 2345, dated 29th April 1965 ... 849—858
Order No. S.O. 2346, dated 26th April 1965 ... 859—862
Order No. S.O. 2347, dated 30th Dec. 1964 ... 863—876
Order No. S.O. 2348, dated 25th Feb. 1965 877—882
Order No. S.O. 2349, dated 26th April 1965 ... 883
Order No. S.O. 2350, dated 28th April 1965 884—885
Order No. S.O. 2351, dated 28th April 1965 ... 886
Order No. S.O. 2352, dated 29th April 1965 ... 887
Order No. S.O. 2353, dated 26th April 1965 ... 888
Order No. S.O. 2354, dated 29th April 1965 ... 889
No. S.O. 2355, dated 30th April 1965 890
No. S.O. 2356, dated 30th April 1965 890
No. S.O. 2357, dated 30th April 1965 891
Order No. S.O. 2358, dated 6th May 1965 892

PAGES

No. S.O. 2359, dated 19th Jan. 1965 893—897
Order No. S.O. 2360, dated 30th Dec. 1964 ... ... 898—905
Order No. S.O. 2361, dated 30th Dec. 1964 ... 906—912
Order No. S.O. 2362, dated 29th April—1st May 1965 913
No. S.O. 2363, dated 9th April 1965 914—915
No. S.O. 2364, dated 22nd April 1965 ... 916—917
No. S.O. 2365, dated 29th April 1965 ... 918—919
No. S.O. 2366, dated 1st May 1965 920—921
No. S.O. 2367, dated 3rd May 1965 922
No. S.O. 2368, dated 1st May 1965 923—924
No. S.O. 2369, dated 27th April 1965 925
No. S.O. 2370, dated 28th April 1965 926
No. S.O. 2371, dated 28th April 1965 926
No. S.O. 2372, dated 28th April 1965 927
No. S.O. 2373, dated 28th April 1965 927
No. S.O. 2374, dated 1st May 1965 ... 928
Notice No. S.O. 2375, dated 16th March 1965 929—938
No. S.O. 2376, dated 15th April 1965 939—941
Order No. S.O. 2377, dated 17th April 1965 942
No. S.O. 2378, dated 21st April 1965 ... 943—945
No. S.O. 2379, dated 28th April 1965 946
No. S.O. 2380, dated 30th April 1965 947
No. S.O. 2381, dated 30th April 1965 948
No. S.O. 2382, dated 5th May 1965 949
No. S.O. 2383, dated 4th May 1965 950
No. S.O. 2384, dated 6th May 1965 951—955
No. S.O. 2385, dated 6th May 1965 956—962
No. S.O. 2386, dated 6th May 1965 963—970

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, MAY 20, 1965
(VAISHAKHA 30, SAKA ERA 1887). | No. 20

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 43 LCA 65, dated 10th May 1965 75—76

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES .. Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS. ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. 82/145/62 dated 10th March 1965 ... 113—323
Notification No. LAW 7 LCR 65, dated 2nd March 1965 ... 324—325
Notification No. LAW 32 LCR 65, dated 4th March 1965 ... 326—328
Notification No. LAW 35 LCR 65, dated 4th March 1965 329
Notification No. LAW 36 LCR 65, dated 4th March 1965 ... 330
Notification No. LAW 37 LCR 65, dated 4th March 1965 ... 331—332
Notification No. LAW 38 LCR 65, dated 4th March 1965 ... 333—334
Notification No. LAW 39 LCR 65, dated 4th March 1965 ... 335—336

PART IV—SECTION 2-A

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PAGES

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Order No. LAW 25, LGN 61, dated 15th May 1965 51—53

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 504, dated 1st April 1965 ... ... 545—559
No. G.S.R. 505, dated 27th April 1965 ... ... 560—561
No. G.S.R. 506, dated 27th April 1965 562
No. G.S.R. 507, dated 27th April 1965 563
No. G.S.R. 508, dated 27th April 1965 564
No. G.S.R. 509, dated 28th April 1965 565
No. G.S.R. 510, dated 24th April 1965 566
Corrigendum No. G.S.R. 511, dated 4th May 1965 ... 567
No. G.S.R. 512, dated 22nd April 1965 ... ... 568—569
No. G.S.R. 513, dated 5th May 1965 570
No. G.S.R. 514, dated 1st May 1965 571
No. G.S.R. 515, dated 3rd May 1965 572
No. G.S.R. 516, dated 10th May 1965 573
No. G.S.R. 517, dated 20th May 1965 ... ... 574—578

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2387, dated 21st Jan. 1965 ... ... 971—978
Order No. S.O. 2388 dated 2nd/3rd Jan. 1965 ... 979—984
Order No. S.O. 2389, dated 9th March 1965 ... ... 985—988
Order No. S.O. 2390, dated 9th March 1965 ... ... 989—994
Order No. S.O. 2391, dated 4th March 1965 ... ... 995—1000
Order No. S.O. 2392 dated 25th March 1965... ... 1001-1008
Order No. S.O. 2393 dated 27th March 1965 ... 1009-1012
Order No. S.O. 2394, dated 25th March 1965... ... 1013-1016

PAGES

Order No. S.O. 2395, dated 9th March 1965 ... 1017-1032
Order No. S.O. 2396, dated 9th March 1965 1033-1056
Order No. S.O. 2397, dated 9th March 1965... ... 1057-1064
Order No. S.O. 2398, dated 9th March 1965 1065-1068
Order No. S.O. 2399, dated 4th May 1965 ... 1069-1074
Order No. S.O. 2400, dated 6th May 1965 1075-1078
No. S.O. 2401, dated 30th April 1965 ... 1079
No. S.O. 2402, dated 29th April 1965 ... 1080
No. S.O. 2403, dated 6th May 1965 ... 1081
No. S.O. 2404, dated 15th Jan. 1965 ... 1082-1090
No. S.O. 2405, dated 30th April 1965 ... 1091-1093
No. S.O. 2406, dated 28th April 1965 ... 1094
No. S.O. 2407, dated 5th May 1965 ... 1095
No. S.O. 2408, dated 7th May 1965 1096-1097
No. S.O. 2409, dated 7th April 1965 1098
No. S.O. 2410, dated 8th April 1965 1099
No. S.O. 2411, dated 1st May 1965 ... 1100
Corrigendum No. S.O. 2412, dated 30th April 1965 1100
No. S.O. 2413, dated 5th May 1965 1101-1103
Order No. S.O. 2414, dated 22nd April 1965 1104-1106
Order No. S.O. 2415, dated 7th/23rd April 1965 ... 1107-1109
Order No. S.O. 2416, dated 7th/27th April 1965 ... 1110-1111
Order No. S.O. 2417, dated 6th April 1965 1112-1113
No. S.O. 2418, dated 27-29th April 1965 ... 1114-1115
Order No. S.O. 2419, dated 22nd April 1965 1116-1117
No. S.O. 2420, dated 3rd May 1965 ... 1118-1120
No. S.O. 2421, dated 5th May 1965 ... 1121-1122

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, MAY 27, 1965
(JYEISHTA 6, SAKA ERA 1887). | No. 21

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B

CENTRAL ACTS AND ORDINANCES—

Notification No. LAW 39 LCA 65, dated 5th May 1965 7—8
Notification No. LAW 42 LCA 65, dated 5th May 1965 9

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 6 LCR 65, dated 2nd March 1965 ... 337 –339
Notification No. LAW 25 LCR 65, dated 15th March 1965 ... 340
Notification No. LAW 24 LCR 65, dated 15th March 1965 ... 341

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREOF ... ... Nil

PAGES

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Order No. LAW 49 LGN 63, dated 22nd May 1965 [illegible]

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 518, dated 18th May 1965 579–580

No. G.S.R. 519, dated 15th May 1965 ... 581

No. G.S.R. 520, dated 21st May 1965 ... ... 582—585

No. G.S.R. 521, dated 28th April 1965 ... ... 586—590

No. G.S.R. 522, dated 4th May 1965 591

No. G.S.R. 523, dated 4th May 1965 ... ... 592—594

No. G.S.R. 524, dated 20th April 1965 ... ... 595—607

No. G.S.R. 525, dated 5th May 1965 ... ... 608—609

No. G.S.R. 526, dated 13th May 1965 610

No. G.S.R. 527, dated 1st May 1965 611

No. G.S.R. 528, dated 5th May 1965 ... ... 612—613

Erratum 614

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2426, dated 24th April 1965 1123-1150

Order No. S.O. 2427, dated 27th March 1965 ... 1151-1164

Order No. S.O. 2428, dated 25th March 1965... ... 1165-1168

Order No. S.O. 2429, dated 7th April 1965 1169-1172

Order No. S.O. 2430, dated 22nd March 1965... ... 1173-1176

Order No. S.O. 2431, dated 21st–22nd April 1965... ... 1177-1182

Order No. S.O. 2432, dated 6th May 1965 ... 1183-1186

Order No. S.O. 2433, dated 21st April 1965 ... 1187-1188

Order No. S.O. 2434, dated 25th March 1965 1189-1208

Order No. S.O. 2435, dated 14th May 1965 1209-1220

Pages

Order No. S.O. 2436, dated 24th April 1965 1221-1226
Order No. S.O. 2437, dated 26th April 1965 1227-1230
Order No. S.O. 2438, dated 3rd May 1965 1231-1234
Order No. S.O. 2439, dated 10th May 1965 1235-1238
Order No. S.O. 2440, dated 26th April 1965 1239-1246
Order No. S.O. 2441, dated 3rd May 1965 1247-1250
No. S.O. 2442, dated 5th May 1965 1251
No. S.O. 2443, dated 14th May 1965 1252
Order No. S.O. 2444, dated 18th May 1965 1253
Order No. S.O. 2445, dated 22nd May 1965 1254
Order No. S.O. 2446, dated 6th March 1965 ... 1255
No. S.O. 2447, dated 14th May 1965 ... 1256
No. S.O. 2448, dated 20th May 1965 1257
No. S.O. 2449, dated 19th May 1965 1258
No. S.O. 2450, dated 19th May 1965 1258
No. S.O. 2451, dated 7th May 1965 1259
No. S.O. 2452, dated 13th May 1965 1260
No. S.O. 2453, dated 20th May 1965 1261-1262
No. S.O. 2454, dated 23rd April 1965 1263-1265
No. S.O. 2455, dated 7th May 1965 1266
No. S.O. 2456, dated 18th May 1965 1267
No. S.O. 2457, dated 14th May 1965 1267
No. S.O. 2458, dated 18th May 1965 1268
No. S.O. 2459, dated 14th May 1965 1268
No. S.O. 2460, dated 15th May 1965 1269
No. S.O. 2461, dated 15th May 1965 1269
Order No. S.O. 2462, dated 9th April 1965 1270-1272
Order No. S.O. 2463, dated 8th April 1965 1273-1274
Order No. S.O. 2464, dated 13th May 1965 1275
No. S.O. 2465, dated 6th May 1965 1276
No. S.O. 2466, dated 18th May 1965 1277
No. S.O. 2467, dated 7th-11th May 1965 1277
No. S.O. 2468, dated 17th May 1965 1278
No. S.O. 2469, dated 19th May 1965 1279
No. S.O. 2470, dated 14th May 1965 1280

PAGES

No. S.O. 2471, dated 6th May 1965 1281
No. S.O. 2472, dated 3rd May 1965 1282–1284
No. S.O. 2473, dated 3rd May 1965 1285–1287
No. S.O. 2474, dated 13th May 1965 ... 1288–1290
No. S.O. 2475, dated 14th May 1965 1291–1292
No. S.O. 2476, dated 11th May 1965 1293
Corrigendum No. S.O. 2477, dated 11th May 1965 ... 1294
No. S.O. 2478, dated 19th May 1965 1295
No. S.O. 2479 dated 14th May 1965 1296
No. S.O. 2480, dated 7th May 1965 1297
No. S.O. 2481, dated 25th May 1965 1298

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JUNE 3, 1965
(JYEISHTA 13, SAKA ERA 1887). | No. 22

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ...

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. RD 56 FSU 65, dated 13th May 1965 ... 341—344
Notification No. LAW 45 LCR 65, dated 26th March 1965 345—346
Notification No. LAW 46 LCR 65, dated 26th March 1965 ... 347
Notification No. LAW 65 LCR 65, dated 7th April 1965 ... 348
Notification No. LAW 68 LCR 65, dated 7th April 1965 ... 349
Notification No. LAW 69 LCR 65, dated 7th April 1965 ... 350
Notification No. LAW 74 LCR 65, dated 7th April 1965 ... 351
Notification No. LAW 79 LCR 65, dated 7th April 1965 ... 352
Notification No. LAW 80 LCR 65, dated 7th April 1965 ... 353
Notification No. PWD 7 LFS 64, dated 20th May 1965 ... 354
Notification No. PWD 9 LFS 64, dated 20th May 1965 ... 355
Notification No. LAW 54 LCR 65, dated 26th March 1965 356
Notification No. LAW 89 LCR 65, dated 12th April 1965 ... 357—358

PAGES

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ...

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 529, dated 28th April 1965 ... ... 615—715
No. G.S.R. 522, dated 4th May 1965 716
No. G.S.R. 530, dated 27th May 1965 ... ... 717—741
No. G.S.R. 531, dated 22nd May 1965 742
No. G.S.R. 532, dated 14th May 1965 743
No. G.S.R. 533, dated 14th May 1965 744
No. G.S.R. 534, dated 24th May 1965 ... ... 745—746
No. G.S.R. 535, dated 21st May 1965 747
No. G.S.R. 536, dated 17th May 1965 ... ... 748—749
No. G.S.R. 537, dated 31st May 1965 ... ... 750—751
No. G.S.R. 538, dated 1st June 1965 ... ... 752—753

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2484, dated 30th March 1965 ... 1299-1314
Order No. S.O. 2485, dated 4th May 1965 1315-1318
Order No. S.O. 2486, dated 11th May 1965 1319-1322
Order No. S.O. 2487, dated 18th May 1965 1323-1326
No. S.O. 2488, dated 8th March 1965 1327-1340
No. S.O. 2489, dated 19th April 1965 1341-1347
No. S.O. 2490, dated 14th May 1965 1348-1349
No. S.O. 2491, dated 14th May 1965 1350-1351
No. S.O. 2492, dated 22nd May 1965 1352-1354

PAGES
No. S.O. 2493, dated 22nd May 1965 1355
No. S.O. 2494, dated 22nd May 1965 1355
No. S.O. 2495, dated 25th May 1965 1356
No. S.O. 2496, dated 21st May 1965 ... 1357
No. S.O. 2497, dated 25th May 1965 ... 1358
No. S.O. 2498, dated 14th May 1965 1359
Corrigendum No. S.O. 2499, dated 14th May 1965 ... 1360
No. S.O. 2500, dated 14th May 1965 1361
No. S.O. 2501, dated 14th May 1965 1362
No. S.O. 2502, dated 18th May 1965 ... 1363
Corrigendum No. S.O. 2503, dated 19th May 1965 1364
No. S.O. 2504, dated 14th May 1965 ... 1365
No. S.O. 2505, dated 14th May 1965 ... 1366
No. S.O. 2506, dated 18th May 1965 1367
No. S.O. 2507, dated 14th May 1965 1368
No. S.O. 2508, dated 20th May 1965 ... 1369
No. S.O. 2509, dated 25th May 1965 ... 1370-1371
Order No. S.O. 2510, dated 25th May 1965 1372-1373
Order No. S.O. 2511, dated 24-26th May 1965 1373
No. S.O. 2512, dated 22nd May 1965 1374
Order No. S.O. 2513, dated 3rd May 1965 1375-1380
Order No. S.O. 2514, dated 3rd May 1965 ... 1381-1384
Order No. S.O. 2515, dated 14th May 1965 1385-1390
Order No. S.O. 2516, dated 14th May 1965 1391-1395
No. S.O. 2517, dated 27th May 1965 ... 1396-1398
No. S.O. 2518, dated 27th May 1965 ... 1399-1401
No. S.O. 2519, dated 13-14th May 1965 ... 1402-1403
No. S.O. 2520, dated 18th May 1965 ... 1404-1406

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JUNE 10, 1965
(JYEISHTA 20, SAKA ERA 1887) | No. 23

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON .. .. Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES—

Notification No. LAW 45 LCA 65, dated 5th May 1965 11—22

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 58 LCR 65, dated ... 359—360
Notification No. LAW 41 LCR 65, dated 26th March 1965 ... 361—362
Notification No. LAW 50 LCR 65, dated 26th March 1965 ... 363—365
Notification No. LAW 85 LCR 65, dated 12th April 1965 ... 366—367
Notification No. LAW 76 LCR 65, dated 7th April 1965 ... 368—369
Notification No. LAW 75 LCR dated 7th April 1965 ... 370
Notification No. LAW 26 LCR 65, dated 15th March 1965... 371—374

PAGES
Notification No. LAW 55 LCR 65, dated 26th March 1965... 375—376
Notification No. LAW 1 LCR 65 dated 12th April 1965 ... 377—378
Notification No. LAW 70 LCR 65, dated 7th April 1965 ... 379—380
Notification No. LAW 88 LCR 65, dated 12th April 1965 ... 381
Notification No. LAW 62 LCR 65, dated 12th April 1965 ... 382
Notification No. LAW 77 LCR 65, dated 7th April 1965 ... 383—384
Notification No. LAW 81 LCR 65, dated 7th April 1965 ... 385
Notification No. LAW 92 LCR 65, dated 12th April 1965 ... 386—387
Notification No. LAW 86 LCR 65, dated 12th April 1965 ... 388—389
Notification No. LAW 87 LCR 65, dated 12th April 1965 ... 390
Notification No. LAW 58 LCR 65, dated 26th March 1965.. 391—392
Notification No. LAW 59 LCR 65, dated 26th March 1965... 393—394
Notification No. LAW 60 LCR 65, dated 26th March 1965... 395
Notification No. LAW 83 LCR 65, dated 12th April 1965 ... 396—397
Notification No. LAW 84 LCR 65, dated 12th April 1965 ... 398—400

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—
No. G.S.R. 541, dated 31st May 1965 755
No. G.S.R. 542, dated 27th May 1965 756
No. G.S.R. 543, dated 28th May 1965 757
No. G.S.R. 544, dated 31st May 1965 ... ... 758—759
No. G.S.R. 545, dated 2nd June 1965 ... ... 760—762
No. G.S.R. 546, dated 2nd June 1965 ... ... 763—767

PAGES

No. G.S.R. 547, dated 2nd June 1965 768—777
No. G.S.R. 548, dated 29th-31st May 1965 ... 778—780
No. G.S.R. 549, dated 27th May 1965 781—783

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

No. S.O. 2524 dated 15th May 1965 ... 1407-1410
No. S.O. 2525, dated 14th May 1965 ... 1411-1414
No. S.O. 2526, dated 26th May 1965 ... 1415-1416
No. S.O. 2527, dated 11th May 1965 ... 1417-1422
No. S.O. 2528, dated 13th May 1965 ... 1423-1428
No. S.O. 2534 dated 2 th May 1965 ... 1429-1432
No. S.O. 2535 dated 27th May 1965 ... 1433-1436
No. S.O. 2536, dated 26th May 1965 1437-1442
No. S.O. 2537, dated 14th May 1965 1443-1450
No. S.O. 2538, dated 27th May 1965 ... 1451-1460
No. S.O. 2539, dated 22nd May 1965 1461
No. S.O. 2540, dated 24th May 1965 1462
No. S.O. 2541, dated 24th May 1965 ... 1463
No. S.O. 2542, dated 26th May 1965 ... 1464
Order No. S.O. 2543, dated 1st June 1965 1465
No S.O. 2544, dated 18th May 1965 ... 1466-1468
No. S.O. 2545, dated 28th May 1965 1469
No. S.O. 2546, dated 22nd May 1965 1470
No. S.O. 2547, dated 22nd May 1965 1471
No. S.O. 2548, dated 22nd May 1965 ... 1472-1473
No. S.O. 2549, dated 31st May 1965 1474
No. S.O. 2550, dated 2nd June 1965 1475
No. S.O. 2551, dated 1st June 1965 ... 1476
Corrigendum No. S.O. 2552, dated 21st May 1965 1477
No. S.O. 2553, dated 22nd April 1965 ... 1478-1479
No. S.O. 2554, dated 26th May 1965 ... 1480-1481
No. S.O. 2555, dated 27th May 1965 ... 1482-1483

PAGES

No. S.O. 2556, dated 1st June 1965 1484-1485
No. S.O. 2557, dated 13th May 1965 1486
No. S.O. 2558, dated 21st-22nd May 1965 1487
No. S.O. 2559, dated 27th May 1965 1488
No. S.O. 2560, dated 27th May 1965 1489
No. S.O. 2561, dated 27th May 1965 1490
No. S.O. 2562, dated 28th May 1965 1490
No. S.O. 2563, dated 28th May 1965 1491
No. S.O. 2564, dated 1st June 1965 1492
No. S.O. 2565, dated 21st May 1965 1493
No. S.O. 2566, dated 22nd May 1965 1494
No. S.O. 2567, dated 22nd May 1965 1495
No. S.O. 2568, dated 22nd May 1965 1496
No. S.O. 2569, dated 24th May 1965 1497
No. S.O. 2570, dated 24th May 1965 1498
No. S.O. 2571, dated 24th May 1965 1499
No. S.O. 2572, dated 31st May 1965 1500
No. S.O. 2573, dated 31st May 1965 1501
No. S.O. 2574, dated 31st May 1965 1502
No. S.O. 2575, dated 2nd June 1965 1503
No. S.O. 2576, dated 2nd June 1965 1504
No. S.O. 2577, dated 8th June 1965 1505
No. S.O. 2578, dated 8th June 1965 1506
No. S.O. 2579, dated 8th June 1965 1506
No. S.O. 2580, dated 8th June. 1965 1507

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JUNE 17, 1965 (JYEISHTA 27, SAKA ERA 1887). | No. 24

PART IV

CONTENTS

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 31, LCA 65, dated 5th April 1965 77—96

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 71 LCR 65, dated 7th April 1965 401—405
Notification No. LAW 72 LCR 65, dated 7th April 1965 406
Notification No. LAW 73 LCR 65, dated 7th April 1965 407—408
Notification No. RD 68 FSU 65, dated 2nd June 1965 409
Notification No. HD 5 PPD 65, dated 19th June 1965 410—411

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ...

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 550, dated 27th January 1965 ... ... 785—826
No. G.S.R. 551, dated 4th June 1965 ... ... 827—837
No. G.S.R. 541, dated 31st May 1965 838
No G.S.R. 549, dated 27th May 1965 ... ... 839—844
No. G.S.R. 552, dated 8th June 1965 845
No. G.S.R. 553, dated 3rd June 1965 846
No. G.S.R. 554, dated 5th June 1965 847
No. G.S.R. 555, dated 4th June 1965 ... ... 848—851
No. G.S.R. 556, dated 16th June 1965 852

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2581, dated 26th May 1965 ... 1509-1512
Order No. S.O. 2582, dated 26th May 1965 1513-1514
Order No. S.O. 2583, dated 26th May 1965 1515-1520
Order No. S.O. 2584, dated 26th May 1965 1521-1522
Order No. S.O. 2585, dated 26th May 1965 1523-1532
Order No. S.O. 2586, dated 26th May 1965 1533-1540
Order No. S.O. 2587, dated 4th June 1965 1541
Corrigendum No. S.O. 2588, dated 9th June 1965 ... 1542
No. S.O. 2589, dated 5th June 1965 1542
No. S.O. 2590, dated 8th June 1965 1543
No. S.O. 2591, dated 8th June 1965 1544-1545
No. S.O. 2592, dated 10th June 1965 1546-1547
No. S.O. 2593, dated 1st June 1965 1548
No. S.O. 2594, dated 1st June 1965 1549
No. S.O. 2595, dated 7th June 1965 ... 1550

PAGES

No. S.O. 2596, dated 22nd-24th May 1965 ... 1551-1552
Order No. S.O. 2597, dated 23rd April 1965 ... 1553-1554
No. S.O. 2598, dated 28th May 1965 ... 1555
No. S.O. 2599, dated 28th May 1965 ... 1556
No. S.O. 2600, dated 29th May 1965 1557
No. S.O. 2601, dated 1st June 1965 1558-1560
No. S.O. 2602, dated 1st June 1965 1561
No. S.O. 2603, dated 1st June 1965 1562
No. S.O. 2604, dated 1st June 1965 ... 1563
No. S.O. 2605, dated 1st June 1965 ... 1564
No. S.O. 2606, dated 2nd June 1965 ... 1565
No. S.O. 2607, dated 2nd June 1965 1566
No. S.O. 2608, dated 2nd June 1965 1567
No. S.O. 2609, dated 5th June 1965 1568
No. S.O. 2610, dated 1st June 1965 ... 1569
No. S.O. 2611, dated 7th June 1965 1570
No. S.O. 2612, dated 7th June 1965 1571
No. S.O. 2613, dated 9th June 1965 1572
No. S.O. 2614, dated 1st June 1965 1573-1575
No. S.O. 2615, dated 7th June 1965 1576
No. S.O. 2616, dated 7th June 1965 1577
No. S.O. 2617, dated 31st May 1965 1578
No. S.O. 2618, dated 31st May 1965 1579
No. S.O. 2619, dated 31st May 1965 1580
No. S.O. 2620, dated 1st June 1965 ... 1581
No. S.O. 2621, dated 31st May 1965 ... 1582
No. S.O. 2622, dated 8th June 1965 ... 1583-1584
No. S.O. 2623, dated 5th June 1965 ... 1585-1615

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JUNE 24, 1965 (ASHADHA 3, SAKA ERA 1887). | No. 25

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 47 LCR 65, dated 25th March 1965. 413—414
Notification No. LAW 48 LCR 65, dated 26th March 1965... 415—417
Notification No. LAW 49 LCR 65, dated 25th March 1965... 418—419
Notification No. LAW 93 LCR 65, dated 8th June 1965 420
Notification No. LAW 94 LCR 65, dated 8th June 1965 421
Notification No. LAW 95 LCR 65, dated 8th June 1965 ... 422—423
Notification No. LAW 101 LCR 65, dated 8th June 1965 ... 424
Notification No. LAW 100 LCR 65, dated 8th June 1965 ... 425

PAGES

Notification No. LAW 99 LCR 65, dated 8th June 1965 ... 426

Notification No. HD. 19 SIC 65, dated 11th June 1965 ... 427

Notification No. 82/283/62 dated 7th June 1965 ... 428

Notification No. LAW 61 LCR 65, dated 26th March 1965... 429—430

Notification No. LAW 62 LCR 65, dated 26th March 1965... 431—434

Notification No. LAW 63 LCR 65, dated 26th March 1965... 435

Notification No. LAW 64 LCR 65, dated 26th March 1965... 436—437

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Notification No. RD 121 LAD 6[illegible], dated 17th June 1965 ...

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 558, dated 10th June 1965 ... 859—860

No. G.S.R. 559, dated 1st-11th June 1965 ... ... 861—866

No. G.S.R. 560, dated 14th June 1965 ... ... 867—868

No G.S.R. 561, dated 21st June 1965 869

No. G.S.R. 562, dated 22nd June 1965 870

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2624, dated 5th June 1965 1617-1620

Order No. S.O. 2625, dated 10th June 1965 1621-1622

Order No. S.O. 2626, dated 8th June 1965 1623-1634

Order No. S O. 2627, dated 8th June 1965 1635-1640

No. S.O. 2628, dated 4th June 1965 1641-1681

PAGES

No. S.O. 2629, dated 10th June 1965 1682
No. S.O. 2630, dated 8th June 1965 1683-1684
Corrigendum No. S.O. 2631, dated 10th June 1965 1685
Order No. S O. 2632, dated 14th June 1965 1686
Order No S.O. 2633, dated 14th June 1965 ... 1687
Order No S.O. 2634, dated 14th June 1965 1688-1690
Order No S.O. 2635, dated 19th June 1965 ... 1691-1692
Order No. S.O. 2636, dated 10th June 1965 ... 1693-1698
Order No. S.O. 2637, dated 16th June 1965 ... 1699-1701

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JULY 1, 1965 (ASHADHA 10, SAKA ERA 1887). | No. 26

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 52 LCA 65, dated 18th June 1965... 97—99

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES—

Notification No. LAW 57 LCA 65, dated 18th June 1965 ... 23—24

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 97 LCR 65, dated 8th June 1965 439—440
Notification No. LAW 96 LCR 65, dated 8th June 1965 441
Notification No. LAW 98 LCR 65, dated 9th June 1965 ... 442—459

PAGES

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 558, dated 10th June 1965 ... ... 871—878
No. G.S.R. 564, dated 9th June 1965 879
No. G.S.R. 565, dated 15th June 1965 ... ... 880—881
No G.S.R. 566, dated 15th June 1965 882
No. G.S.R. 567, dated 15th June 1965 883
No. G.S.R. 568, dated 11th June 1965 ... ... 884—885
No. G S.R. 569, dated 21st June 1965 ... ... 886—887
No. G.S.R. 570, dated 21st June 1965 ... ... 888—889
No. G.S.R. 571, dated 21st June 1965 ... ... 890—891
No. G.S.R. 572, dated 23rd June 1965 892
No. G.S.R. 573, dated 22nd June 1965 ... ... 893—897

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2642, dated 8th–11th June 1965 .. 1703–1706
Order No. S.O. 2643, dated 11th June 1965 1707–1710
Order No. S.O. 2644, dated 14th June 1965 1711–1714
Order No. S O. 2645, dated 14th June 1965 1715–1718
Order No. S.O. 2646, dated 14th June 1965 1719–1722
Order No. S.O. 2647, dated 14th June 1965 1723–1726
Order No S.O. 2648, dated 14th June 1965 1727–1728

PAGES

Order No. S.O. 2649, dated 14th June 1965 1729–1732
Order No. S.O. 2650, dated 16th June 1965 1733–1738
Order No. S.O. 2651, dated 16th June 1965 1739–1742
Order No. S.O. 2652, dated 16th June 1965 1743–1746
Order No. S.O. 2653, dated 16th June 1965 ... 1747–1749
No. S.O. 2654, dated 19th 21st June 1965 ... 1750
Corrigendum No. S.O. 2655, dated 23rd June 1965 1750
No. S.O. 2656, dated 4th June 1965 1751
No. S.O. 2657, dated 15th June 1965 1752
No. S.O. 2658, dated 18th June 1965 1753
No. S.O. 2659, dated 6th May 1965 1754
No. S.O. 2660, dated 18th June 1965 1755
No. S.O. 2661, dated 31st May 1965 1756
No. S.O. 2662, dated 2nd June 1965 1757
No. S.O. 2663, dated 2nd June 1965 1758
No. S.O. 2664, dated 2nd June 1965 1759
No. S.O. 2665, dated 15th June 1965 1760
Order No. S.O. 2666, dated 19th June 1965 ... 1761
Order No. S.O. 2677, dated 19th June 1965 ... 1762
No. S.O. 2668, dated 4th June 1965 1763
No. S.O. 2669, dated 9th June 1965 1764
No. S.O. 2670, dated 9th June 1965 1765
No. S.O. 2671, dated 2nd June 1965 1766
No. S.O. 2672, dated 14th June 1965 1767
No. S.O. 2673, dated 5th June 1965 ... 1768
Corrigendum No. S.O. 2674, dated 11th June 1965 176
Corrigendum No. S.O. 2675, dated 16th June 1965 ... 1770–1771
No. S.O. 2676, dated 21st June 1965 1772
No. S.O. 2677 dated 23rd June 1965 1772
Notice No. S.O. 2678, dated 25th June 1965 ... 1773
Notice No. S.O. 2679, dated 25th June 1965 ... 1774
Notice No. S.O. 2680, dated 25th June 1965... 1775
Notice No. S.O. 2681, dated 25th June 1965... 1776
No. S.O. 2682, dated 11th June 1965 ... 1777–1778
No. S.O. 2683 dated 14th June 1965 1779–1780

PAGES

No. S.O. 2684, dated 19th June 1965 1781
No. S.O. 2685, dated 23rd June 1965 1782–1783
No. S.O. 2686, dated 26th April 1965 1784
No. S.O. 2687, dated 7th June 1965 1785–1786
No. S.O. 2688, dated 22nd June 1965 1787
No. S.O. 2689, dated 23rd June 1965 1788
No. S.O. 2690, dated 23rd June 1965 1788
No. S.O. 2691, dated 21st June 1965 1789
No. S.O. 2692, dated 22nd June 1965 1790
No. S.O. 2693, dated 22nd June 1965 1791
No S.O. 2694, dated 22nd June 1965 1792
No. S.O. 2695, dated 24th June 1965 1793
Order No. S.O. 2696, dated 16th June 1965 1794–1796
Order No. S.O. 2697 dated 3rd June 1965 1797–1799
No. S.O. 2698, dated 28th June 1965 1800
No. S.O. 2699, dated 29th June 1965 1801

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JULY 8, 1965 (ASHADHA 17, SAKA ERA 1887). | No. 27

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 46 LCA 65, dated 28th May 1965 ... 101—111

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ... Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. HD 19 SIC 65, dated 25th June 1965 ... 461—462
Notification No. LAW 107 LCR 65, dated 22nd June 1965... 463
Notification No. LAW 105 LCR 65, dated 22nd June 1965 ... 464—465
Notification No. LAW 104 LCR 65, dated 22nd June 1965... 466
Notification No. LAW 102 LCR 65, dated 22nd June 1965... 467—468
Notification No. LAW 112 LCR 65, dated 22nd June 1965... 469
Notification No. LAW 113 LCR 65, dated 22nd June 1965... 470

PAGES

Notification No. LAW 108 LCR 65, dated 22nd June 1965... 471
Notification No. LAW 120 LCR 65, dated 21st June 1965... 472
Notification No. LAW 109 LCR 65, dated 22nd June 1965... 473
Notification No. LAW 103 LCR 65, dated 22nd June 1965... 474
Notification No. LAW 117 LCR 65, dated 22nd June 1965... 475—476
Notification No. LAW 116 LCR dated 22nd June 1965 ... 477—478
Notification No. LAW 118 LCR 65, dated 22nd June 1965... 479—480
Notification No. LAW 119 LCR 65, dated 22nd June 1965... 481—482

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ... Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 574, dated 9th March 1965 ... ... 899—933
No. G.S.R. 575, dated 15th March 1965 ... ... 934—973
No. G.S.R. 576, dated 19th June 1965 974
Corrigendum No. 577, dated 29th June—1st July 1965 ... 975
No. G.S.R. 578 dated 2nd July 1965 976
No G.S.R. 579, dated 15th June 1965 977
No. G S.R. 580, dated 15th June 1965 ... ... 978—980
No. G.S.R. 581, dated 26th June 1965 ... ... 981—984
Corrigendum No. G.S.R. 582 dated 9th June 1965 ... 985
No. G.S.R. 583, dated 18th June 1965 ... ... 986—937
No. G.S.R. 584, dated 18th June 1965 988
No. G S.R 585, dated 21st June 1965 989
No. G.S.R. 586, dated 21st June 1965 990
No. G.S.R. 589, dated 21st June 1965 991
No. G.S.R. 590, dated 29th June 1965 992
No. G.S.R. 591, dated 30th June—1st July 1965 ... 993—1001

PAGES

PART IV—SECTION 3-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2700, dated 16th June 1965 ... 1803-1808
Order No. S.O. 2701, dated 16th June 1965 ... 1809-1816
Order No. S.O. 2702, dated 16th June 1965 1817-1832
Order No. S.O. 2703, dated 16th June 1965 1833-1842
No. S.O. 2708, dated 25th June 1965 1843
No. S.O. 2709, dated 25th June 1965 1844-1845
No. S.O. 2710, dated 28th June 1965 1846-1847
No. S.O 2711, dated 30th June 1965 1848-1850
No. S.O. 2712, dated 22nd June 1965 1851
No. S.O. 2713, dated 22nd June 1965 1851
Order No. S.O. 2714, dated 20th June 1965 1852
No. S.O. 2715, dated 25th June 1965 1853
No. S.O. 2716, dated 29th June 1965 1854
No. S.O. 2717, dated 24th June 1965 1855
No. S.O. 2718, dated 24th June 1965 1856-1857
Order No. S O. 2719, dated 26th June 1965 1858
No S.O. 2720, dated 23rd June 1965 1858
Order No S.O. 2721, dated 7th June 1965 1859-1861
No. S.O. 2722, dated 14th June 1965 1862-1863
No. S.O. 2723, dated 14th June 1965 1864
No. S.O. 2724, dated 14th May 1965 1865
No. S.O. 2725, dated 24th June 1965 1866
No. S.O. 2726, dated 25th June 1965 1867
No. S.O. 2727, dated 25th June 1965 1868
No. S.O. 2728, dated 25th June 1965 1869
No. S.O. 2729, dated 25th June 1965 1870
No. S.O. 2730, dated 25th June 1965 1871
No. S.O. 2731, dated 28th June 1965 1872-1873
Order No. S.O. 2732, dated 29th June 1965 1874-1875
Order No. S.O. 2733, dated 30th June 1965 1876-1878
No. S.O. 2734, dated 2nd July 1965 1879
No. S.O. 2735, dated 2nd July 1965 188

Pages

No. S.O. 2736, dated 24th June 1965 ... 1881
No. S.O. 2737, dated 26th June 1965 ... 1881
No. S.O. 2738, dated 26th June 1965 ... 1882
No. S.O. 2739, dated 30th June 1965 ... 1882
No. S.O. 2740, dated 30th June 1965 ... 1883-1885
No. S.O. 2741, dated 30th June 1965 1886-1888
No. S.O. 2742, dated 30th June 1965 1889
No. S.O. 2743, dated 24-25th June 1965 ... 1890
Proclamation No. S.O. 2744, dated 23rd June 1965 ... 1891-1894
Proclamation No. S.O. 2745, dated 19th June 1965 ... 1895-1899
No. S.O. 2746, dated 3rd July 1965 1900-1901

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JULY 15, 1965 (ASHADHA 24, SAKA ERA 1887) | No. 28

PART IV

CONTENTS

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ...

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 66 LCR 65, dated 7th April 1965 ... 483—493
Notification No. LAW 42 LCR 65, dated 26th March 1965... 494—505

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ... Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 592, dated 11th June 1965 1003-1005
No. G.S.R. 593, dated 14th June 1965 1006-1008
No. G.S.R. 594, dated 6th July 1965 1009
No. G.S.R. 595, dated 9th July 1965 1010-1011
No. G.S.R. 596, dated 3rd July 1965 1012-1013

PAGES

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2747, dated 16th June 1965 1903–1920
Order No. S.O. 2748, dated 29th June 1965 1921–1924
Order No. S.O. 2749, dated 23rd June 1965 ... 1925–1928
Order No. S.O. 2750, dated 1st July 1965 ... 1929–1936
Order No. S.O. 2751, dated 29th June 1965 ... 1937–1942
Order No. S.O. 2752, dated 5th July 1965 1943
No. S.O. 2753, dated 3rd July 1965 ... 1944
Order No. S.O. 2754, dated 5th July 1965 1945
Order No. S.O. 2755, dated 5th July 1965 1946
No. S.O. 2756, dated 28th June 1965 1947–1953
No. S.O. 2757, dated 6th July 1965 1954
No. S.O. 2758, dated 29th June 1965 .. 1955–1957
No. S.O. 2759, dated 5th July 1965 .. 1958–1959
No. S.O. 2760, dated 2nd July 1965 1960
No. S.O. 2761, dated 25th June 1965 1961
No. S.O. 2762, dated 25th June 1965 1962
No. S.O. 2763, dated 3rd July 1965 1963
No. S.O. 2764, dated 6th July 1965 1964
No. S.O. 2765, dated 6th July 1965 ... 1965
No. S.O. 2766, dated 3rd July 1965 ... 1966
No. S.O. 2767, dated 3rd July 1965 ... 1967
No. S.O. 2768, dated 1st July 1965 1968–1969
No. S.O. 2769, dated 3rd July 1965 ... 1970–1971
No. S.O. 2770, dated 3rd July 1965 1972–1973
No. S.O. 2771, dated 3rd July 1965 1974–1975
No. S.O. 2772, dated 2nd July 1965 1976–1977
No. S.O. 2773, dated 1st July 1965 1978–1979
No. S.O. 2774, dated 18th June 1965 1980–1981
No. S.O. 2775, dated 8th July 1965 1982
Order No. S.O. 2776, dated 2nd July 1965 1983–1986
No. S.O. 2777, dated 6th July 1965 1987

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JULY 22, 1965
(ASHADHA 31, SAKA ERA 1887). | No. 29

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 60 LCA 65, dated 18th June 1965 ... 113—130

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. PWD 29 LFS 65, dated 6th July 1965 507—508
Notification No. LAW 78 LCR 65, dated 7th April 1965 509—515
Notification No. LAW 67 LCR 65, dated 7th April 1965 516—526
Notification No. LAW 56 LCR 65, dated 26th March 1965... 527—528
Notification No. LAW 57 LCR 65, dated 26th March 1965... 529—536
Notification No. GAD 74 SHC 65, dated 17th July 1965 537
Notification No. GAD 74 SHC 65, dated 17th July 1965 538

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PAGES

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION

No. G.S.R. 597, dated 6th July 1965 ... 1015-1026
No. G.S.R. 598, dated 6-9th July 1965 1027
No. G.S.R. 599, dated 29th June 1965 ... 1028-1034
No. G.S.R. 600, dated 13th July 1965 ... 1035-1036

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2778, dated 6th July 1965 ... 1989-1992
Order No. S.O. 2779, dated 5th July 1965 ... 1993-1996
Order No. S.O. 2780, dated 2nd July 1965 ... 1997-2018
Order No. S.O. 2781 dated 3rd July 1965 ... 2019-2021
Order No. S.O. 2782, dated 6th July 1965 ... 2022-2023
Order No S.O. 2783 dated 7th July 1965 ... 2024-2025
No S.O 2784, dated 9th July 1965 2026-2027
Order No. S.O. 2785 dated 3rd-6th July 1965 ... 2028-2030
No. S.O. 2786, dated 28th June 1965 ... 2031-2033
No. S.O 2787 dated 25th June 1965 ... 2034-2035
No. S.O 2788, dated 7th July 1965 2036
No. S.O. 2789, dated 9th July 1965 ... 2037-2039
No. S.O. 2790, dated 8th July 1965 2040
No. S.O. 2791, dated 7-13th July 1965 2040
No. S.O. 2792, dated 7th July 1965 2041
No. S.O. 2793, dated 7th July 1965 2042
Order No. S.O. 2794, dated 13th July 1965 2043-2046
Order No S.O. 2795, dated 13th July 1965 2047-2052
Order No. S.O. 2796, dated 8th July 1965 ... 2053-2056
Order No. S.O. 2797, dated 13th July 1965 ... 2057-2060

	PAGES
No. S.O. 2798, dated 3rd July 1965	2061
No S.O. 2799, dated 5th July 1965	2062
No. S.O. 2800, dated 5th July 1965	2063
No. S.O. 2801, dated 8th July 1965	2064
No. S.O. 2802, dated 13th July 1965	2065
No. S.O. 2803, dated 13th July 1965	2066
No. S.O. 2804, dated 14–15th July 1965	2067–2068
No. S.O. 2806, dated 15–17th July 1965	2069
No. S.O. 2807, dated 15th July 1965	2070

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, JULY 29, 1965 (SHRAVANA 7, SAKA ERA 1887) | No. 30

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT ... ... Nil

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Notification No. LAW 4 LGN 62, dated 24th July 1965 63—93

Notification No. LAW 8 LGN 65, dated 24th July 1965 95—110

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION

No. G.S.R. 597, dated 6th July 1965 1037-1048
No. G.S.R. 601, dated 31st March 1965 1049-1108
No. G.S.R. 602, dated 7th April 1965 1109-1192
No. G.S.R. 603, dated 21st July 1965 1193-1205
No. G.S.R. 604, dated 17th July 1965 1206
No. G.S.R. 605, dated 23rd July 1965 1207
No. G.S.R. 606, dated 21st July 1965 1208

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2809, dated 8th July 1965 2099-2104
Order No. S.O. 2810, dated 15th July 1965 2105-2108
Order No. S.O. 2811, dated 19th July 1965 2109-2122
Order No. S.O. 2812, dated 8th July 1965 2123-2126
Order No. S.O. 2813, dated 20th July 1965 2127-2136
Order No. S.O. 2814, dated 19th July 1965 2137-2138
Order No. S.O. 2815, dated 20th July 1965 2139
Order No. S.O. 2816, dated 19th July 1965 2140
Order No. S.O. 2817, dated 19th July 1965 2141
Order No. S.O. 2818, dated 19th July 1965 2142
Order No. S.O. 2819, dated 19th July 1965 2143
Order No. S.O. 2820, dated 19th July 1965 2144
Order No. S.O. 2821, dated 19th July 1965 2145
Order No. S.O. 2822, dated 19th July 1965 2146
Order No. S.O. 2823, dated 19th July 1965 2147
No. S.O. 2824, dated 15th July 1965 2148
No. S.O. 2825, dated 15th July 1965 2148
No. S.O. 2826, dated 20th July 1965 2149
No. S.O. 2827, dated 7th July 1965 2149
No. S.O. 2828, dated 14th July 1965 2150

PAGES

No. S.O. 2829, dated 17th July 1965 2151-2152
No. S.O. 2830, dated 17th July 1965 2153-2154
No. S.O. 2831, dated 16th July 1965 2155-2156
No. S.O. 2832, dated 19th July 1965 2157-2158
No. S.O. 2833, dated 19th July 1965 2159
No. S.O. 2834, dated 20th July 1965 2160
No. S.O. 2835, dated 19th July 1965 2161
No. S.O. 2836, dated 19th July 1965 2162
No. S.O. 2837, dated 17-19th July 1965 2163
No. S.O. 2838, dated 19th June 1965 2164
No. S.O. 2839, dated 16th July 1965 2164
No. S.O. 2840, dated 17th July 1965 2165
No. S.O. 2841, dated 17th July 1965 2165
No. S.O. 2842, dated 19th July 1965 2166
No. S.O. 2843, dated 20th July 1965 2166
No. S.O. 2844, dated 19th July 1965 2167
No. S.O. 2845, dated 22nd July 1965 2168
No. S.O. 2846, dated 5th July 1965 2169
Order No. S.O. 2847, dated 17th July 1965 2170-2171
Corrigenda No. S.O. 2848, dated 7/16th July 1965 ... 2172
Order No. S.O. 2849, dated 19th July 1965 2173-2176
Order No. S.O. 2850, dated 20th July 1965 2177-2184
Order No. S.O. 2851, dated 20th July 1965 2185-2192
Order No. S.O. 2852, dated 20th July 1965 2193-2202
No. S.O. 2853, dated 19th July 1965 2203
Order No. S.O. 2854, dated 19th July 1965 2204-2205
No S.O. 2855, dated 7th July 1965 2206
No. S.O. 2856, dated 20th July 1965 2207
No. S.O. 2857, dated 22nd July 1965 2207
Order No. S.O. 2858, dated 22nd July 1965 2208
Order No. S.O. 2859, dated 19th July 1965 2209-2210
No. S.O. 2860, dated 23rd July 1965 ... 2211
Corrigendum No. S.O. 2861, dated 23rd July 1965 ... 2211
No. S.O. 2862, dated 17th July 1965 2212
No. S.O. 2863, dated 15th July 1965 2213

PAGES
No. S.O. 2864, dated 19th July 1965 2213
No. S.O. 2865, dated 20th July 1965 2214
No. S.O. 2866, dated 19th July 1965 2214
No. S.O. 2867, dated 19th July 1965 2215
Notice No. S.O. 2868, dated 24th July 1965 2216
Notice No. S.O. 2869, dated 24th July 1965 2217
Notice No. S.O. 2870, dated 22nd July 1965 2218
Notice No. S.O. 2871, dated 22nd July 1965... ... 2219

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, AUGUST 5, 1965 (SHRAVANA 14, SAKA ERA 1887) | No. 31

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 106 LCR 65, dated 29th June 1965... 539—548

Notification No. LAW 209 LCR 64, dated 25-26th Nov. 1964 549—561

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Notification No. LAW 32 LGN 63, dated 30th July 1965 111—126

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION

No. G.S.R. 607, dated 28th July 1965 1209-1233
Corrigendum No. G.S.R. 608, dated 22nd July 1965 ... 1234
No. G.S R. 609, dated 27th July 1965 1235-1236
No. G.S.R. 610, dated 29-30th July 1965 1237-1238
No. G.S.R. 611, dated 21st July 1965 1239
No. G.S.R. 612, dated 22nd July 1965 1240
No. G.S.R. 613, dated 22nd July 1965 1241
No. G.S.R. 614, dated 20th July 1965 ... 1242
No.G.S.R 615, dated 23rd July 1965 ... 1243-1244
No. G.S.R. 616, dated 25th July 1965 1245
No. G S.R. 617, dated 25th July 1965 1246
No. G.S.R. 618, dated 31st July 1965 ... 1247-1248

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2873, dated 20th July 1965 2221-2230
Order No. S.O. 2874, dated 19th July 1965 2231-2232
Order No. S.O. 2875, dated 19th July 1965 2233-2233
Order No. S.O. 2876, dated 19th July 1965 2235-2238
Order No. S.O. 2877, dated 19th July 1965 ... 2239-2242
Order No. S.O. 2878, dated 19th July 1965 2243-2246
Order No. S.O. 2879, dated 20th July 1965 2247-2250
Order No. S.O. 2880, dated 15th July 1965 2251-2256
Order No S.O. 2881, dated 20th July 1965 2257-2270
No. S.O. 2882, dated 23rd July 1965 2271
Order No. S.O. 2883, dated 19th July 1965 ... 2272-2273
Corrigendum No. S.O. 2884, dated 20th July 1965 ... 2274
Corrigendum No. S.O. 2885, dated 22nd July 1965 ... 2275
Corrigendum No. S.O. 2886, dated 24th July 1965 ... 2275
No S.O. 2887, dated 28th July 1965 2276

PAGES

No. S.O. 2888, dated 26th July 1965 2277-2278

No. S.O. 2889, dated 26th July 1965 2279-2280

Order No. S.O. 2890, dated 23rd July 1965 ... 2281-2282

Order No. S.O. 2891, dated 28th July 1965 2283

Order No. S.O. 2892, dated 17th July 1965 2284

Errata No. S.O. 2893, dated 19th July 1965 2284

Corrigendum No. S.O. 2894, dated 24th July 1965 ... 2285

No. S.O. 2895, dated 20th July 1965 2286-2287

No. S.O. 2896, dated 23rd July 1965 2288-2289

No. S.O. 2897, dated 24th July 1965 2290-2291

No. S.O. 2898, dated 24th July 1965 2292

Order No. S.O. 2899, dated 27th July 1965 2293-2300

Order No. S.O. 2900, dated 24th July 1965 2301-2308

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Notification No. ROC 1842/57, dated 29th July 1965

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, AUGUST 12, 1965 (SHRAVANA 21, SAKA ERA 1887). | No. 32

PART IV

CONTENTS

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES—

Notification No. LAW 62 LCA 65, dated 21st June 1965 ...

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 110 LCR 65, dated 29th June 1965... 563—567
Notification No. LAW 111 LCR 65, dated 22nd June 1964... 568—572
Notification No. LAW 9 LCR 65, dated 8th Feb. 1965 ... 573—580
Notification No. LAW 51 LCR 65, dated 26th March 1965... 581—582
Notification No. LAW 52 LCR 65, dated 26th March 1965... 583—593
Notification No. FD 70 PID 65, dated 4th August 1965 ... 594

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

PAGES

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ... Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION.

No. G.S.R. 619, dated 3rd August 1965 1249-1250
Corrigendum No. G.S.R. 620, dated 26th July 1965 ... 1251
No. G.S.R. 621, dated 15th July 1965 1252-1253
No. G.S.R. 622, dated 2nd August 1965 1254
No. G.S.R. 623, dated 3rd August 1965 1255
No. G.S.R. 624, dated 31st July 1965 1256
No. G.S.R. 625, dated 9th August 1965 1257-1266
No. G.S.R. 626, dated 10th August 1965 1267-1278

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2901, dated 26th July 1965 2309-2320
Order No. S.O. 2902, dated 23rd July 1965 2321-2326
No. S.O. 2903, dated 2nd August 1965 2327
No. S.O. 2904, dated 3rd August 1965 2328
No. S.O. 2905, dated 3rd August 1965 2328
No. S.O. 2906, dated 5th August 1965 2329
No. S.O. 2907, dated 6th August 1965 2329
Order No. S.O. 2908, dated 5th August 1965... ... 2330
Order No. S.O. 2909, dated 5th August 1965 2331
Order No. S.O. 2910, dated 5th August 1965... ... 2332
Order No. S.O. 2911, dated 5th August 1965 2333
Order No. S.O. 2912, dated 6th August 1965 2334
Order No. S.O. 2913, dated 6th August 1965 2335
Order No. S.O. 2914, dated 6th August 1965 2336
No S.O. 2915, dated 3rd August 1965 2337
No. S.O. 2916, dated 3rd August 1965 2337

PAGES
No. S.O. 2917, dated 30th July 1965 2338
No. S.O. 2918, dated 30th July 1965 2339
No. S.O. 2919, dated 3rd August 1965 2340
No. S.O. 2920, dated 29th July 1965 2341
No. S.O. 2921, dated 31st July 1965 2342
Order No. S.O. 2922, dated 28th July 1965 2343
Order No. S.O. 2923, dated 13th July 1965 ... 2344
No. S.O. 2924, dated 30th July 1965 ... 2345-2346
No. S.O. 2925, dated 30th July 1965 ... 2347-2348
No. S.O. 2926, dated 30th July 1965 ... 2349-2350
No. S.O. 2927, dated 2nd August 1965 2351
No. S.O. 2928, dated 5th July 1965 2352
No. S.O. 2929, dated 6th August 1965 ... 2353-2356
Order No. S.O. 2930, dated 5th August 1965 ... 2357
Order No. S.O. 2931, dated 5th August 1965 2358
Order No. S.O. 2932, dated 5th August 1965 2359
Order No. S.O. 2933, dated 6th August 1965 ... 2360
Order No. S.O. 2934, dated 5th August 1965 ... 2361
Order No. S.O. 2935, dated 5th August 1965 ... 2362
Order No. S.O. 2936, dated 5th August 1965 ... 2363
Order No. S.O. 2937, dated 6th August 1965 2364
Order No. S.O. 2938, dated 6th August 1965 2365
No. S.O. 2939, dated 30th July 1965 2366
No. S.O. 2940, dated 30th July 1965 2367
No. S.O. 2941, dated 4th August 1965 2368
No. S.O. 2942, dated 3rd August 1965 ... 2369-2370
No. S.O. 2943, dated 5th August 1965 ... 2371-2372

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

PAGES

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 627, dated 13th August 1965 1279-1283
No. G.S.R. 628, dated 29th July 1965 1284-1286
No. G.S.R. 629, dated 3rd August 1965 1287-1288
No. G.S.R. 630, dated 5th August 1965 1289
No. G.S.R. 631, dated 5th August 1965 1290
No. G.S.R. 632, dated 13th August 1965 1291-1297
No. G.S.R. 633, dated 5th August 1965 1298
No. G.S.R. 634, dated 5th August 1965 1299
No. G.S.R 635 dated 12th August 1965 1300
No. G.S.R. 636, dated 9th August 1965 1301
No. G S.R. 637, dated 9th August 1965 1302
No. G.S.R. 638, dated 5th August 1965 1303-1304
No. G.S.R. 639, dated............1965 1305-1307

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 2944, dated 3rd August 1965 2373-2378
Order No. S.O. 2945, dated 5th August 1965... ... 2379-2382
Order No. S.O. 2946, dated 5th August 1965... ... 2383-2386
No. S.O. 2947, dated 7th August 1965 2387
No. S.O. 2948, dated 7th August 1965 2388-2389
Order No. S.O. 2949, dated 12th August 1965... ... 2390
Order No S.O. 2950, dated 12th August 1965... 2391-2392
Order No. S.O. 2951, dated 11th August 1965... ... 2393
Order No. S.O. 2952, dated 10th August 1965... ... 2394
Order No. S.O. 2953, dated 10th August 1965... ... 2395
No. S.O. 2954, dated 30th July 1965 2396-2397
Order No S.O. 2955, dated 3rd August 1965 ... 2398-2401
No. S.O. 2956, dated 3rd August 1965 2402
No. S.O. 2957, dated 3rd August 1965 2403-2404

PAGES

No. S.O. 2958, dated 3rd August 1965 ... 2405
No. S.O. 2959, dated 4—6th August 1965 ... 2406
No. S.O. 2960, dated 11th August 1965 2406
No. S.O. 2961, dated 5th August 1965 2407-2409
No. S.O. 2962, dated 4th August 1965 ... 2410-2411
No. S.O. 2963, dated 3rd August 1965 ... 2412-2413
No. S.O. 2964, dated 10th August 1965 2414
No. S.O. 2965, dated 9th August 1965 ... 2415-2418
No. S.O. 2966, dated 6th August 1965 2419
No. S.O. 2967, dated 13th August 1965 ... 2420-2425
No. S.O. 2968, dated 10th August 1965 2427-2427

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE—

Notification No. ROC (P) 80/59, dated 9th August 1965 ...

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, AUGUST 26, 1965 (BHADRAPADA 4, SAKA ERA 1887). | No. 34

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 61 LCA 65, dated 18th June 1965 ... 131—146

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ...

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 125 LCR 65, dated 3rd Aug. 1965 ... 609—610
Notification No. LAW 132 LCR 65, dated 3rd Aug. 1965 ... 611
Notification No. LAW 133 LCR 65, dated 3rd Aug. 1965 ... 612
Notification No. LAW 135 LCR 65, dated 3rd Aug. 1965 ... 613—614
Notification No. LAW 142 LCR 65, dated 10th Aug, 1965 ... 615
Notification No. LAW 143 LCR 65, dated 10th Aug. 1965 ... 616
Notification No. LAW 130 LCR 65, dated 3rd Aug. 1965 ... 617
Notification No. LAW 131 LCR 65, dated 3rd Aug. 1965 ... 618—619

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ...

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION,—

No. G.S.R. 631, dated 5th August 1965 1309
No. G.S.R. 642, dated 19th August 1965 1310-1317
No. G.S.R. 643, dated 5th August 1965 1318-1320
No. G.S.R. 644, dated 19th August 1965 1321-1330
No. G.S.R. 645, dated 25th August 1965 1331
No. G.S.R. 646, dated 25th August 1965 1332

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

No. S.O. 2969, dated 5th August 1965 2499-2532
Order No S.O. 2970, dated 2nd August 1965... ... 2533-2540
Order No S.O. 2971, dated 7th August 1965... ... 2541-2544
Order No. S.O. 2972, dated 7th August 1965... ... 2545-2548
Order No. S.O. 2973, dated 13th August 1965... ... 2549
Order No. S.O. 2974, dated 16th August 1965... ... 2550
Corrigendum No. S.O. 2975, dated 16th Aug. 1965 ... 2551
No. S.O. 2976, dated 19th August 1965 2551
No. S.O. 2977, dated 17th August 1965 2552
No. S.O. 2978, dated 20th August 1965 2552
No. S.O. 2979, dated 16th August 1965 2553
No. S.O. 2980, dated 17th August 1965 2554
No. S.O. 2981, dated 17th August 1965 2554
No. S.O. 2982, dated 11th August 1965 2555

PAGES
No. S.O. 2983, dated 11th August 1965 2556
No. S.O. 2984, dated 13th August 1965 2556
No. S.O. 2985, dated 31st July 1965 2557-2558
No. S.O. 2986, dated 6th August 1965 2559-2560
No. S.O. 2987, dated 7th August 1965 2561-2562
No. S.O. 2988, dated 9th August 1965 2563-2564
No. S.O. 2989, dated 10th August 1965 2565-2566
No. S.O. 2990, dated 5th August 1965 2567-2568
No. S.O. 2991, dated 13-16th August 1965 2569
No. S.O. 2992, dated 13th August 1965 2570
No. S.O. 2993, dated 12th August 1965 2571
No. S.O. 2994, dated 16-17th August 1965 2572
No. S.O. 2995, dated 13-16th August 1965 2573
No. S.O. 2996, dated 13th August 1965 2574
No. S.O. 2997, dated 13th August 1965 2575
No. S.O. 2998, dated 17th August 1965 2576
No. S.O. 2999, dated 5th August 1965 2577
No. S.O. 3000, dated 5th August 1965 2578
No. S.O. 3001, dated 4th August 1965 2579
No. S.O. 3002, dated 13th August 1965 2580
No. S.O. 3003, dated 13-16th August 1965 2581
Corrigendum No. S.O. 3004, dated 19th August 1965 ... 2582
Order No. S.O. 3005, dated 19th August 1965 ... 2583-2584
No. S.O. 3006, dated 18th August 1965 2585
Order No. S.O. 3007, dated 19th August 1965... ... 2586
No. S.O. 3008, dated 23rd August 1965 2587-2589

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

PAGES

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 647, dated 18th August 1965 1333
No. G.S.R. 648, dated 21st August 1965 1334
No. G.S.R. 649, dated 19th August 1965 1335
No. G.S.R. 650, dated 17th August 1965 1336
No. G.S.R. 651, dated 17th August 1965 1337
No. G.S.R. 652, dated 19th August 1965 1338
No. G.S.R. 653, dated 26th August 1965 1339-1343

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

No. S.O. 3011, dated 16th August 1965 2591
Order No. S.O. 3012, dated 4th August 1965 2592-2593
No. S.O. 3013, dated 18th August 1965 2594
No. S.O. 3014, dated 20th August 1965 2595
No. S.O. 3015, dated 20th August 1965 2595
No. S.O. 3016, dated 17-18th August 1965 2596
No. S.O. 3017, dated 17-18th August 1965 2597
No. S.O. 3018, dated 17-18th August 1965 2598
No. S.O. 3019, dated 26th August 1965 2598
No. S.O. 3020, dated 7th August 1965 2599-2600
No. S.O. 3021, dated 17th August 1965 2601-2602
No. S.O. 3022, dated 19th August 1965 2603-2604
Order No. S.O. 3023, dated 28th August 1965... ... 2605

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, SEPT. 2, 1965 (BHADRAPADA 11, SAKA ERA 1887). | No. 35

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ... Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT ... ... Nil

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Erratum No. LAW 8 LGN 65, dated 25th Aug. 1965 161

P.T.O.

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, SEPT. 9, 1965 (BHADRAPADA 18, SAKA ERA 1887). | No. 36

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV SECTION 1-C

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 128 LCR 65, dated 3rd Aug. 1965 ... 621—622
Notification No. LAW 129 LCR 65, dated 3rd Aug. 1965 623—626
Notification No. LAW 124 LCR 65, dated 3rd Aug. 1965 ... 627—632

PART IV—SECTION 2-A

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES— Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION.—

No. G.S.R. 648, dated 21st August 1965 ... 1345–1346
No. G.S.R. 654, dated 21st August 1965 ... 1347–1363
No. G.S.R. 655, dated 2nd–3rd Sept. 1965 ... 1364–1365
No. G.S.R. 656, dated 11th August 1965 ... 1366
No. G.S.R. 657, dated 19th August 1965 1367
No. G.S.R. 658, dated 26th August 1965 ... 1368
No. G.S.R. 659, dated 2nd Sept. 1965 ... 1369–1396
No. G.S.R. 660, dated 1st Sept. 1965 1397–1518

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

No. S.O. 3027, dated 18th August 1965 .. 2607-2611
No. S.O. 3028, dated 24th July 1965 ... 2615-2617
No. S.O. 3029, dated 21st August 1965 2618
Order No. S.O. 3030, dated 21st August 1965 ... 2619
No. S.O. 3031, dated 21st August 1965 ... 2620
No. S.O. 3032, dated 23rd August 1965 2621
Order No. S.O. 3033, dated 25th August 1965 ... 2622
No. S.O. 3034, dated 25th August 1965 2623
No. S.O. 3035, dated 25th August 1965 2623
No. S.O. 3036, dated 25th August 1965 2624
No. S.O. 3037, dated 23rd August 1965 ... 2624
Order No. S.O. 3038, dated 25th August 1965 2625
Order No. S.O. 3039, dated 25th August 1965 ... 2626
No. S.O. 3040, dated 11th August 1965 2627-2628
No. S.O. 3041, dated 25th August 1965 2629-2630
No. S.O. 3042, dated 26th August 1965 ... 2631-2632
No. S.O. 3043, dated 27th August 1965 2633-2634
No. S.O. 3044, dated 19th August 1965 2635
No. S.O. 3045, dated 24th August 1965 2635
No. S.O. 3046, dated 19th August 1965 ... 2636
No. S.O. 3047, dated 26th August 1965 2636

PAGES

No. S.O. 3048, dated 19th August 1965 2637

No. S.O. 3049, dated 20th August 1965 2638

No. S.O. 3050, dated 26–27th August 1965 ... 2639–2640

No. S.O. 3051, dated 1st Sept. 1965 ... 2641

No. S.O. 3052, dated 2nd Sept. 1965 2642

No. S.O. 3053, dated 6th Sept. 1965 2642

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, SEPT. 16, 1965 (BHADRAPADA 25, SAKA ERA 1887). | No. 37

PART IV

CONTENTS

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 34 LCA 65, dated 5th April 1965 ...

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ...

PART IV—SECTION 1-C

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 153 LCR 65, dated 17th Aug. 1965 ... 633—634
Notification No. LAW 167 LCR 65, dated 23rd Aug. 196 ... 635
Notification No. GAD 49 SHC 64, dated 20th Aug. 1965 ... 636
Notification No. PWD 14 LFS 65, dated 19th Aug. 1965 ... 637—638

PART IV—SECTION 2-A

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ...

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION.—

No. G.S.R. 648, dated 21st August 1965 1519–1520
No. G.S.R. 661, dated 11th August 1965 1521–1522
No. G.S.R. 662, dated 19th August 1965 1523–1524
No. G.S.R. 663, dated 1st Sept. 1965 1525
No. G.S.R. 664, dated 24th August 1965 1526
No. G.S.R. 665, dated 26th August 1965 1527–1528
No. G.S.R. 666, dated 11th August 1965 1529
No. G.S.R. 667, dated 23rd August 1965 1530
No. G.S.R. 668, dated 20th August 1965 1531
No. G.S.R. 669, dated 20th August 1965 1532
No. G.S.R. 670 dated 20th August 1965 1533–1535
No. G.S.R. 671, dated 2nd Sept. 1965 1536
No. G.S.R. 672 dated 14th Sept. 1965 1537
No. G.S.R. 673, dated 14th Sept. 1965 1538

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3054, dated 19th August 1965... ... 2643
Order No. S.O. 3055, dated 19th August 1965 ... 2644
Order No. S.O. 3056, dated 28th August 1965 ... 2645
No. S.O. 3057, dated 21st–24th August 1965... ... 2646–2647
No. S.O. 3058, dated 21st–24th August 1965... ... 2648
No. S.O. 3059, dated 24th August 1965 2649
No. S.O. 3060, dated 18–20th August 1965 2650
No. S.O. 3061, dated 26th August 1965 2651
No. S.O. 3062, dated 27th August 1965 2652
No. S.O. 3063, dated 20th August 1965 2653
No. S.O. 3064, dated 1st Sep. 1965 2654
Order No. S.O. 3065, dated 28th August 1965 ... 2655
Order No. S.O. 3066, dated 25th August 1965 ... 2656

PAGES

Order No. S.O. 3067, dated 28th August 1965... 2657

Order No. S.O. 3068, dated 28th August 1965 2658–2659

Order No. S.O. 3069, dated 28th August 1965 2660

No. S.O. 3070, dated 28th August 1965 2661

No. S.O. 3071, dated 1st Sept. 1965 2662

No. S.O. 3072, dated 1st Sept. 1965 2663-2664

No. S.O. 3073, dated 2nd Sept. 2665

No. S.O. 3074, dated 25th August 1965 2665

No. S.O. 3075, dated 2nd Sept. 1965 2666

No. S.O. 3076, dated 1st Sept. 1965 2667

No. S.O. 3077, dated 25th August 1965 2667

Order No. S.O. 3078, dated 2nd Sept. 1965 ... 2668–2672

Order No. S.O. 3079, dated 4th Sept. 1965 2673–2674

Order No. S.O. 3080, dated 4th Sept. 1965 2675

Order No. S.O. 3081, dated 4th Sept. 1965 2676

No. S.O. 3082, dated 8th Sept. 1965 2677–2678

No. S.O. 3083, dated 9th August 1965 ... 2679–2682

No. S.O. 3084, dated 18th August 1965 ... 2683–2685

Erratum No. S.O. 3085, dated 4–7th Sept. 1965 2686

No. S.O. 3086, dated 2nd Sept. 1965 2687

No. S.O. 3087, dated 2nd–7th Sept. 1965 2688

Order No. S.O. 3088, dated 2nd Sept. 1965 2689

No. S.O. 3089, dated 2nd Sept. 1965 2690

No. S.O. 3090, dated 26th August 1965 2691

No. S.O. 3091, dated 25th August 1965 ... 2692–2693

Order No. S.O. 3092, dated 27th August 1965 2694

Corrigendum No. S.O. 3093, dated 4th Sept. 1965 2695

Order No. S.O. 3094, dated 18th August 1965 ... 2696–2697

No. S.O. 3095, dated 13th Sept. 1965 2698

No. S.O. 3096, dated 13th Sept. 1965 2699

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

. No. BG 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, SEPT. 23, 1965 (ASVIJA 1, SAKA ERA 1887). | No. 38

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 27 LCA 65, dated 16th March 1965... 183—218 (1—36)

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ...

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. GAD 341 SAS 65, dated 9th Sept. 1965 ... 639
Notification No. 154/9/65, dated 4th Sept. 1965 ... 640
Notification No. LAW 148 LCR 65, dated 17th Aug. 1965 ... 641
Notification No. LAW 161 LCR 65, dated 17th Aug. 1965 ... 642
Notification No. LAW 144 LCR 65, dated 17th Aug. 1965 ... 643
Notification No. LAW 159 LCR 65, dated 17th Aug. 1965 ... 644—647
Notification No. LAW 140 LCR 65, dated 17th Aug. 1965 ... 648—649
Notification No. LAW 160 LCR 65, dated 17th Aug. 1965 ... 650—652
Notification No. LAW 138 LCR 65, dated 6th Aug. 1965 ... 653—662

PAGES

Notification No. LAW 128 LCR 65, dated 3rd Aug. 1965 ... 663—669
Notification No. LAW 147 LCR 65, dated 18th July 1965 ... 670—673
Notification No. LAW 122 LCR 65, dated 3rd Aug. 1965 ... 674
Notification No. LAW 156 LCR 65, dated 17th Aug. 1965... 675—676
Notification No. LAW 151 LCR 65, dated 17th Aug. 1965 ... 677
Notification No. LAW 152 LCR 65, dated 17th Aug. 1965 .. 678
Notification No. LAW 164 LCR 65, dated 17th Aug. 1965 ... 679
Notification No. LAW 165 LCR 65, dated 17th Aug. 1965 ... 680—681
Notification No. LAW 155 LCR 65, dated 17th Aug. 1965 ... 682—683
Notification No. LAW 154 LCR 65, dated 17th Aug. 1965 ... 684—685
Notification No. LAW 145 LCR 65, dated 17th Aug. 1965 ... 686—687
Notification No. LAW 126 LCR 65, dated 3rd Aug. 1965 ... 688
Notification No. LAW 146 LCR 65, dated 18th Aug. 1965 ... 689—690
Notification No. LAW 157 LCR 65, dated 17th Aug. 1965 ... 691—692
Notification No. LAW 158 LCR 65, dated 17th Aug. 1965 ... 693—694
Notification No. LAW 166 LCR 65, dated 23rd Aug. 1965 ... 695—696
Notification No. LAW 139 LCR 65, dated 18th Aug. 1965 ... 697—703

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ... Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION.—

No. G.S.R. 674, dated 24th August 1965 1539
No. G.S.R. 675, dated 24th August 1965 ... 1540
No. G.S.R. 676, dated 2nd Sept. 1965 ... 1541-1542
No. G.S.R. 677, dated 2nd Aug. 1965 ... 1543-1559
No. G.S.R. 678, dated 7th Sept. 1965 1560-1561
No. G.S.R. 679, dated 15th Sept. 1965 1562

	PAGES
No. G.S.R. 680, dated 13th Sept. 1965	1563–1564
No. G.S.R. 681, dated 10th Sept. 1965	1565
No. G.S.R. 682, dated 18th Sept. 1965 ...	1566–1582
No. G.S.R. 683, dated 20th Sept. 1965 ...	1583–1586

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3098, dated 28th August 1965... ...	2701–2712
Order No. S.O. 3099, dated 8th Sept. 1965 ...	2713–2716
Order No S.O. 3100, dated 8th Sept. 1965 ...	2717–2720
Order No. S.O. 3101, dated 7th Sept. 1965 ...	2721–2722
Order No. S.O. 3102, dated 9th Sept. 1965 ...	2723–2726
Order No. S.O. 3103, dated 7th Sept. 1965	2727–2730
Order No. S.O. 3104, dated 8th Sept. 1965	2731–2734
Order No. S.O. 3105, dated 8th Sept. 1965	2735–2738
Order No. S.O. 3106, dated 3rd Sept. 1965	2739
Order No. S.O. 3107, dated 3rd Sept. 1965	2740
No. S.O. 3108, dated 8th Sept. 1965	2741
No. S.O. 3109, dated 28th August 1965	2742
No. S.O. 3110, dated 8th Sept. 1965	2743
No. S.O. 3111, dated 2nd Sept. 1965	2744
No. S.O. 3112, dated 27th August 1965	2745
No. S.O. 3113, dated 31st August 1965 ...	2746
No. S.O. 3114, dated 31st Aug.–1st Sept. 1965	2747
No. S.O. 3115, dated 28th Aug.–2nd Sept. 1965	2748–2749
No S.O. 3116, dated 31st Aug.–1st Sept. 1965	2750
No. S.O. 3117, dated 25th August 1965	2751
No. S.O. 3118, dated 25th August 1965	2751
No. S.O. 3119, dated 3rd Sept. 1965	2752
No. S.O. 3120, dated 27–28th August 1965 ...	2753
No S.O. 3121, dated 25th August 1965	2754
No. S.O. 3122, dated 23rd August 1965 ...	2755–2758
No. S.O. 3123, dated 6th Sept. 1965	2759
No. S.O. 3124, dated 12th August 1965 ...	2760–2761

PAGES
No. S.O. 3125, dated 12th August 1965 2762-2763
No. S.O. 3126, dated 12th August 1965 ... 2764-2765
No. S.O. 3127, dated 12th August 1965 ... 2766-2767
No. S.O. 3128, dated 12th August 1965 ... 2768-2769
No. S.O. 3129, dated 27th August 1965 2770-2772
No. S.O. 3130, dated 3rd Sept. 1965 2773-2774
No. S.O. 3131, dated 23rd August 1965 ... 2775-2779
No. S.O. 3132, dated 27th August 1965 2780-2789
No. S.O. 3133, dated 21st August 1965 2790
No. S.O. 3134, dated 2nd Sept. 1965 ... 2791
Order No. S.O. 3135, dated 26th August 1965 2792-2793
Order No. S.O. 3136, dated 7th Sept. 1965 2794-2798
No. S.O. 3137, dated 14th Sept. 1965 2799-2800
Order No. S.O. 3138, dated 16th Sept. 1965 2801
Order No. S.O. 3139, dated 15th Sept. 1965 2802
Order No. S.O. 3140, dated 15th Sept. 1965 2803
No. S.O. 3141, dated 17th August 1965 2804-2821
No. S.O. 3142, dated 13th Sept. 1965 2822
No. S.O. 3143, dated 27th August 1965 2823
No. S.O. 3144, dated 25th August 1965 2824
No. S.O. 3145, dated 28th-31st August 1965 2825-2826
No. S.O. 3146, dated 27th August 1965 2827
No. S.O. 3147, dated 28th-31st August 1965... ... 2828
No. S.O. 3148, dated 3rd Sept. 1965 2829
No. S.O. 3149, dated 8th Sept. 1965 ... 2830
No. S.O. 3150, dated 13th Sept. 1965 2831
No. S.O. 3151, dated 13th Sept. 1965 2832
No. S.O. 3152, dated 25th August 1965 2833
No. S.O. 3153, dated 28th-31st August 1965... ... 2834
No. S.O. 3154, dated 9-14th Sept. 1965 2835
No. S.O. 3155, dated 15-16th Sept. 1965 2836
No. S.O. 3156, dated 10-14th Sept. 1965 2837
No. S.O. 3157, dated 9-14th Sept. 1965 2838
No. S.O. 3158, dated 9-14th Sept. 1965 2838
Order No. S.O. 3159, dated 21st August 1965 ... 2839-2840

PAGES
No. S.O. 3160, dated 15th Sept. 1965 ... 2841-2842
No. S.O. 3161, dated 14th Sept. 1965 2843
Order No. S.O. 3162, dated 15th Sept. 1965 ... 2844-2845
No. S.O. 3163, dated 18th Sept. 1965 ... 2846-2847
No. S.O. 3164, dated 16th Sept. 1965 2848
No. S.O. 3165, dated 13th Sept. 1965 2849
No. S.O. 3166, dated 13th Sept. 1965 2850
No. S.O. 3167, dated 9-14th Sept. 1965 2851
No. S.O. 3168, dated 14th Sept. 1965 2852
No. S.O. 3169, dated 8th Sept. 1965 2853
No. S.O. 3170, dated 13th Sept. 1965 ... 2854-2855
No. S.O. 3171, dated 16th Sept. 1965 ... 2856-2857
No. S.O. 3172, dated 18th Sept. 1965 2858
No. S.O. 3173, dated 10th Sept. 1965 2859
No. S.O. 3174, dated 16th Sept. 1965 ... 2860-2861
No. S.O. 3175, dated 16th Sept. 1965 2862
No. S.O. 3176, dated 16th Sept. 1965 2862
No. S.O. 3177, dated 16th Sept. 1965 2863
No. S.O. 3178, dated 16th Sept. 1965 2863
No. S.O. 3179, dated 16th Sept. 1965 ... 2864-2865
No. S.O. 3180, dated 13th Sept. 1967 ... 2866-2867

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. BG [illegible].

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, SEPT. 30, 1965 (ASVIJA 8, SAKA ERA 1887). | No. 38

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES—

Notification No. LAW 52 LCA 65, dated 9th June 1965 ... 63—152

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. CI 423 BCS 65, dated 15th Sept. 1965 ... 705—706
Notification No. LAW 175 LCR 65, dated 15th Sept. 1965... 707
Notification No. LAW 176 LCR 65, dated 15th Sept. 1965... 708
Notification No. LAW 177 LCR 65, dated 15th Sept. 1965... 709
Notification No. LAW 178 LCR 65, dated 15th Sept. 1965... 710
Notification No. LAW 179 LCR 65, dated 15th Sept. 1965... 711
Notification No. LAW 174 LCR 65, dated 15th Sept. 1965... 712—713
Notification No. LAW 180 LCR 65, dated 15th Sept 1965... 714
Notification No. LAW 181 LCR 65, dated 15th Sept. 1965 715

PAGES

Notification No. LAW 183 LCR 65, dated 15th Sept. 1965... 716
Notification No. LAW 186 LCR 65, dated 15th Sept. 1965... 717—718
Notification No. LAW 187 LCR 65, dated 15th Sept. 1965... 719
Notification No. LAW 188 LCR 65, dated 15th Sept. 1965... 720
Notification No. LAW 171 LCR 65, dated 15th Sept. 1965... 721
Notification No. LAW 172 LCR 65, dated 15th Sept. 1965.. 722
Notification No. LAW 173 LCR 65, dated 15th Sept. 1965... 723
Notification No. LAW 168 LCR 65, dated 15th Sept. 1965... 724
Notification No. LAW 170 LCR 65, dated 15th Sept. 1965... 725—727
Notification No. LAW 184 LCR 65, dated 15th Sept. 1965... 728—731

PART IV—SECTION 2-A

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON—

Notification No. 8655—LC dated 28th Sept. 1965

PART IV—SECTION 2-B

MYSORE ACTS AND ORDINANCES Nil

PART IV SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION.—

No. G.S.R. 684, dated 23rd August 1965 1587-1618
No. G.S.R. 685, dated 19th August 1965 1619-1660
No. G.S.R. 687, dated 18th Sept. 1965 1661
No. G.S.R. 688, dated 18th Sept. 1965 1662
No. G.S.R. 689, dated 13th Sept. 1965 1663-1665
No. G.S.R. 690, dated 18th Sept. 1965 1666
No. G.S.R. 691, dated 17th Sept. 1965 ... 1667
No. G.S.R. 692, dated 21st Sept. 1965 1668-1669
No. G.S.R. 693, dated 21st Sept. 1965 1670-1683
No. G.S.R. 694, dated 27th Sept. 1965 1684
No. G.S.R. 695, dated 27th Sept. 1965 1685

PAGES

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3194, dated 15th Sept. 1965 2869-2872
Order No. S.O. 3195, dated 15th Sept. 1965 2873-2876
Order No S.O 3196, dated 17th Sept. 1965 ... 2877-2878
No S.O. 3197 dated 21st Sept. 1965 2879
No. S.O. 3198, dated 21st Sept, 1965 2879
No. S.O. 3199, dated 21st Sept. 1965 2880
No. S.O. 3200, dated 22nd Sept. 1965 2880
No. S.O. 3201, dated 23rd Sept. 1965 2881
No. S.O. 3202, dated 21st Sept. 1965 2882
No. S.O. 3203, dated 21st Sept. 1965 2883
No. S.O. 3204, dated 17th Sept. 1965 2884-2885
Order No. S.O. 3205, dated 21st Sept. 1965 2886
Order No. S.O. 3206, dated 17th Sept. 1965 2887-2889
No. S.O. 3207, dated 21st Sept. 1965 2890
No. S.O. 3208, dated 20th Sept. 1965 2890
Order No. S.O. 3209, dated 18th Sept. 1965 2891-2892
Order No. S.O. 3210, dated 18th Sept. 1965 2893
No. S.O. 3211, dated 21st Sept. 1965 2894
No. S.O. 3212, dated 17th Sept. 1965 2895
No. S.O. 3213, dated 17th Sep. 1965 2896
No. S.O. 3214, dated 18th Sept. 1965 2897
No. S.O. 3215, dated 15th Sept. 1965 2898-2899
No. S.O. 3216, dated 9th-14th Sept. 1965 ... 2900-2901
No. S.O. 3217, dated 13th Sept. 1965 ... 2902-2903
No. S.O. 3218, dated 10th-14th Sept. 1965 2904
No. S.O. 3219, dated 9th-14th Sept. 1965 2905
No. S.O. 3220, dated 9th Sept. 1965 2906
No. S.O. 3221, dated 20th Sept. 1965 2907
No. S.O. 3222, dated 20th Sept. 1965 2908
No. S.O. 3223 dated 2nd Sept. 1965 2909-2910
Order No. S.O. 3224, dated 15th Sept. 1965 2911

PAGES

No. S.O. 3225, dated 17th Sept. 1965 2912
No. S.O. 3226, dated 10th Sept. 1965 2913-2914
No. S.O. 3227, dated 61th Sept. 1965 2915-2916
No. S.O. 3228, dated 15th Sept. 1965 2917-2918
Order No. S.O. 3229, dated 18th Sept. 1965 2919
Order No. S.O. 3230, dated 26th August 1965 2920-2921
Order No. S.O. 3231, dated 28th August 1965... ... 2922-2923
Order No. S.O. 3232, dated 31st August 1965 ... 2924-2926
No. S.O. 3233, dated 18th Sept. 1965 2927
No. S.O. 3234, dated 18th Sept. 1965 2928-2933
No. S.O. 3235, dated 27th Sept. 1965 2934
No. S.O. 3236, dated 27th Sept. 1965 2935
No. S.O. 3237, dated 27th Sept. 1965 2936
No. S.O. 3238, dated 27th Sept. 1965 2936
No. S.O. 3239, dated 27th Sept. 1965 2937
No. S.O. 3240, dated 27th Sept. 1965 2937
No. S.O. 3241, dated 27th Sept. 1965 2938
No. S.O. 3242, dated 27th Sept. 1965 2939
No. S.O. 3243, dated 27th Sept. 1965 2940
No. S.O. 3244, dated 27th Sept. 1965 2941
No. S.O. 3245, dated 27th Sept, 1965 2942
No. S.O. 3246, dated 23rd Sept. 1965 2943-2944
No. S.O. 3247, dated 29th Sept. 1965 2945
No. S.O. 3248, dated 29th Sept. 1965 2946
No. S.O. 3249, dated 29th Sept. 1965 2947
No. S.O. 3250, dated 6th Oct. 1965 2949-2950

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. B.G. 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, OCT. 14, 1965
(ASVIJA 22, SAKA ERA 1887). | No. 40

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 71 LCA 65, dated 22nd Sept. 1965 ... 219—221

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ... Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 185 LCR 65, dated 15th Sept. 1965... 733—736
Notification No. LAW 163 LCR 65, dated 17th August 1965 737—739
Notification No. LAW 149 LCR 65, dated 17th Aug. 1965 ... 740—741
Notification No. LAW 150 LCR 65, dated 17th Aug. 1965 ... 742—745
Notification No. CI 455 BCS 65, dated 20th Sept. 1965 ... 746
No. 11/27/65/IOO, dated 15th Sept. 1965 ... 747—785

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PAGES

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ... Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 696, dated 28th Sept. 1965 1687
No. G.S.R. 697, dated 7th October 1965 1688-1689
No. G.S.R. 698, dated 27th Sept. 1965 1690
No. G.S.R. 699 dated 28th Sept. 1965 1691
No. G.S.R. 700, dated 8th October 1965 1692-1702
No. G.S.R. 701, dated 12th October 1965 1703
No. G.S.R. 702, dated 8th October 1965 1704-1710

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3254, dated 21st Sept. 1965 2957-2958
Order No. S.O. 3255, dated 21st Sept. 1965 2959-2970
Order No. S.O. 3256 dated 21st Sept. 1965 2971-2974
Order No. S.O. 3257, dated 21st Sept. 1965 2975-2978
No. S.O. 3258, dated 1st October 1965 2979
No. S.O. 3259, dated 1st October 1965 2980
No. S.O. 3260, dated 25th Sept. 1965 2981
Order No. S.O. 3261 dated 27th Sept. 1965 2982
No. S.O. 3262, dated 27th Sept. 1965 2983
No. S.O. 32 3, dated 18th Sept. 1965 2984-2990
No. S.O. 3264, dated 18th Sept. 1965 2991-2997
No. S.O. 3265, dated 28-29th Sept. 1965 2998
No. S.O. 3266, dated 29-30th Sept. 1965 2999
No. S.O. 3267 dated 29-30th Sept. 1965 2999
No. . 32 8, dated 29th Sept. 1965 3000
No. S.O. 3269, dated 28th Sept. 1965 3001-3002

PAGES
No. S.O. 3270, dated 13-29th Sept. 1965 ... 3003
No S.O. 3271, dated 29th Sept. 1965 .. 3004
No. S O 3272, dated 28th Sept. 1965 3004
No S.O 3273, dated 27th Sept. 1965 3005
No S.O. 3274, dated 3rd Sept. 1965 3006
No S.O. 3275 dated 27th Sept. 1965 3007-3008
No. S.O. 3276 dated 27th Sept. 1965 ... 3009-3010
Order No. S.O 3277, dated 31st Aug 1965 3011-3013
No. S.O 3279 dated 1st October 1965 3014
No. S.O. 3280 dated 6th October 1965 3015
No. S.O. 3281 dated 6th Sept. 1965 ... 3016
No. S.O. 3282, dated 6th October 1965 ... 3017
No. S.O 3283. dated 6th Sept. 1965 ... 3018
No. S.O. 3284, dated 6th October 1965 3019
No. S.O. 3285, dated 6th October 1965 3020
No. S.O. 3286, dated 6th Sept. 1965 3021
No. S.O. 3287, dated 30th Sept. 1965 3022
No. S.O. 3288, dated 29th Sept. 1965 3023
No. S.O. 3289, dated 11th October 1965 3024-3027
No. S.O. 3290, dated 12th October 1965 3028
No. S.O. 3291, dated 12th October 1965 3029
No. S.O. 3292 dated 12th October 1965 3029
No. S.O. 3293, dated 12th October 1965 3030
No. S.O. 3294, dated 11th October 1965 3030

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. B.G. 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, OCT. 21, 1965 (ASVIJA 29, SAKA ERA 1887). | No. 41

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LAW 68 LCA 65, dated 22nd Sept. 1965 ... 223—264
Notification No. LAW 69 LCA 65, dated 22nd Sept. 1965 ... 265—282
Notification No. LAW 59 LCA 65, dated 18th June 1965 ... 283—338 (1—56)

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ... Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 182 LCR 65, dated 15th Sept. 1965... 787—798
Notification No. LAW 191 LCR 65, dated 9th Sept. 196 ... 799—801

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON—

Notification No. 10694/L.A., dated 20th October 1965 9—12

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES ... Nil

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION.—

No G.S.R. 703, dated 18th Sept. 1965 ... 1711–1721
No. G.S.R. 704, dated 18th Sept. 1965 1722–1737
No G.S.R 705, dated 6th October 1965 1738
No. G.S.R. 706, dated 6th October 1965 1739
No. G.S.R. 707, dated 18th Sept. 1965 1740
No. G.S.R. 708, dated 21st Sept. 1965 ... 1741
No. G.S.R. 709, dated 12th October 1965 1742–1743
No. G.S.R. 710, dated 15th October 1965 1744
No. G.S.R. 711, dated 14–15th October 1965... ... 1745
Order No. G.S.R. 7 2, dated 20th Sept. 1965 1746–1747
No. G.S.R. 713, dated 1st–7th October 1965 ... 1748

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O 3295, dated 1st October 1965... ... 3031–3032
Order No. S.O. 3296, dated 1st October 1965... ... 3033–3034
Order No S.O 3297, dated 8th October 1965 .. 3035–3038
Order No. S.O. 3298, dated 1st October 1965... 3039–3040
Order No. S.O. 3299, dated 1st October 1965 3041–3042
Order No. S.O. 3300, dated 7th October 1965 ... 3043–3044
Order No. S.O. 3301, dated 7th October 1965... ... 3045–3046
Order No. S.O. 3302, dated 6–8th October 1965 .. 3047–3050
Order No. S.O. 3303, dated 1st October 1965 ... 3051–3052
Order No. S.O. 3304, dated 8th October 1965 ... 3053–3056
Order No. S.O. 3305, dated 8th October 1965 .. 3057–3058
No S.O. 3306, dated 11th October 1965 3059

PAGES

No. S.O. 3307, dated 12th October 1965 3060
No. S.O. 3308, dated 12th October 1965 3061
No. S.O. 3309, dated 12–13th October 1965 ... 3062
No. S.O. 3310, dated 12–13th October 1965 3063
Corrigendum No. S.O. 3311, dated 7th–12th Oct. 1965 ... 3063
No. S.O. 3312, dated 28–29th Sept. 1965 ... 3064
No. S.O. 3313, dated 6th October 1965 ... 3065
No. S.O. 3314, dated 11th October 1965 ... 3066–3067
No. S.O. 3315 dated 30th Sept. 1965 ... 3068–3069
No. S.O. 3316, dated 28–29th Sept. 1965 ... 3070–3071
No. S.O. 3317, dated 30th Sept. 1965 ... 3072–3073
No. S.O. 3318, dated 12th October 1965 3074
Order No. S.O. 3319, dated 21st Sept. 1965 3075–3076
No. S.O. 3320, dated 11th October 1965 ... 3077–3078
No. S.O. 3321, dated 11th October 1965 ... 3079–3080
No S.O. 3322, dated 12th October 1965 3081
No. S.O. 3323, dated 14th October 1965 3082
No. S.O. 3324, dated 13th October 1965 ... 3083
No. S.O. 3325, dated 8th October 1965 ... 3084
No. S.O. 3326, dated 8th October 1965 3085–3086
No. S.O. 3327, dated 18th October 1965 3086
Order No. S.O. 3328, dated 29th Sept. 1965 3087–3089
No. S.O. 3329, dated 7th October 1965 3090–3091
No. S.O. 3330, dated 11th October 1965 3092–3094
Erratum No. S.O. 3331, dated 12th October 1965 3094
Order No S O. 3332, dated 30th Sept. 1965 ... 3095
Order No S O. 3233, dated 30th Sept. 1965 ... 3096
Order No. S.O 3334, dated 7th October 1965... 3097–3110
Order No. S.O. 3335, dated 12th October 1965 3111

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. B.G. 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, OCT. 28, 1965 (KARTHIKA 6, SAKA ERA 1887). | No. 42

PART IV

CONTENTS

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON—

Notification No. LWA 67 LCA 65, dated 22nd Sept. 1965 ... 339—387

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ... Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. GAD 7 SPS 63, dated 8th Oct. 1965 ... 803

Notification No. GAD 16 ITR 65, dated 7th Oct. 1965 ... 804

Notification No. CI 423 BOS 65, dated 14th Oct. 1965 ... 805

Notification No. CI 423 BOS 65, dated 15th Oct. 1965 ... 806-807

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Notification No. 10761 LA dated 25th Oct. 1965 ... 163

Notification No. 10761 LA dated 25th Oct. 1965 ... 164

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION.—

No. G.S.R. 715, dated 12th Oct. 1965 1749–1769

No. G.S.R. 716, dated 14th Oct. 1965 1770

No. G.S.R. 717, dated 19th October 1965 1771–1777

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3336, dated 8th October 1965... ... 3113–3124

Order No. S.O. 3337, dated 8th October 1965... ... 3125–3128

Order No. S.O. 3338, dated 8th October 1965 ... 3129–3138

Order No. S.O. 3339, dated 18th October 1965... 3139–3140

No. S.O. 3340, dated 15th October 1965 3141

Order No. S.O. 3341, dated 14th October 1965 ... 3142

Order No. S.O. 3342, dated 18th October 1965 ... 3143

No. S.O. 3343, dated 30th Sept, 1965 3144–3145

Order No. S.O. 3344, dated 14th October 1965... ... 3146

No. S.O. 3345, dated 7th October 1965 3147–3148

No. S.O. 3346, dated 10th October 1965 3149–3151

No. S.O. 3347, dated 16th October 1965 3152–3153

No. S.O. 3348, dated 14th October 1965 3154–3155

No. S.O. 3349, dated 14th October 1965 3156

Corrigendum No. S.O. 3350, dated 19th July 1965 ... 3157

No. S.O. 3351, dated 30th Sept. 1965 3158

No. S.O. 3352, dated 30th Sept. 1965 3159

No. S.O. 3353, dated 16–18th October 1965 3160

No. S.O. 3354, dated 16–18th October 1965 3160

No. S.O. 3355, dated 16th October 1965 3161–3164

No. S.O. 3356, dated 9th October 1965 ... 3165

No. S.O. 3357, dated 7th October 1965 ... 3166

No. S.O. 3358, dated 9th October 1965 ... 3167

	Pages
No. S.O. 3359, dated 9th October 1965 ...	3168
No. S.O. 3360, dated 16th October 1965 ...	3169
No. S.O. 3361, dated 19th October 1965 ...	3170
No. S.O. 3362, dated 19th October 1965 ...	... 3171-3172
Order No. S.O. 3363, dated 16th Oct. 1965 ...	... 3173-3174
Order No. S.O. 3364, dated 14th Oct. 1965 ...	... 3175-3190
Order No. S.O. 3365, dated 14th Oct. 1965 ...	... 3191-3212
Order No. S.O. 3366, dated 14th Oct. 1965 ...	... 3213-3232
Order No. S.O. 3367, dated 26th Oct. 1965 ...	3233
Notice No. S.O. 3368, dated 26th Oct. 1965 ...	... 3234
Notice No. S.O. 3369, dated 26th Oct. 1965 ...	... 3235
Notice No. S.O. 3370, dated 26th Oct. 1965 ...	... 3236

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. B.G. 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, NOV. 4 1965 (KARTHIKA 13, SAKA ERA 1887) | No. 43

PART IV

CONTENTS

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON—

Notification No LAW 70 LCA 65, dated 22nd Sept. 1965 ... 389—445

Notification No. LAW 24 LCA 65, dated 15th March 1965 ... 447—470 (1—24)

Notification No. LAW 25 LCA 65, dated 15th March 1965 ... 471—508 (25—62)

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES ... Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 195 LCR 65, dated 14th Oct. 1965 ... 809—810

PART IV—SECTION 2-A

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES

PART IV—SECTION 2-C (i).

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 718, dated 13th Oct. 1965 1779-1988
No. G.S.R. 719, dated 21st Oct. 1965 1989
No. G.S.R. 720, dated 25th Oct. 1965 1990
No. G.S.R. 721 dated 21st Oct. 1965 1991

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3376, dated 15th Oct. 1965 3239-3244
Order No. S.O. 3377, dated 15th Oct. 1965 3245-3256
Order No. S.O. 3378, dated 15th Oct. 1965 3257-3262
Order No. S.O. 3379, dated 20th Oct. 1965 3263-3264
No. S.O. 3380, dated 19th Oct. 1965 3265
No. S.O. 3381, dated 27th Oct. 1965 3266
Order No. S.O. 3382, dated 17th Sept. 1965 3267-3269
No. S.O. 3383, dated 18th Oct. 1965 3270
No. S.O. 3384, dated 19th Oct. 1965 3271
No. S.O. 3385, dated 22nd Oct. 1965 3272
No. S.O. 3386, dated 28th Oct. 1965 3273
No. S.O. 3387, dated 18th Oct. 1965 3274
No. S.O. 3388, dated 18th Oct. 1965 3274
No. S.O. 3389, dated 22nd Oct. 1965 3275
No. S.O. 3390, dated 19th Oct. 1965 3276
No. S.O. 3391, dated 19th Oct. 1965 3276
No. S.O. 3392, dated 20th Oct. 1965 ... 3277
No. S.O. 3393, dated 19th Oct. 1965 ... 3278-3279
No. S.O. 3394, dated 21st Oct. 1965 ... 3280-3281
No. S.O. 3395, dated 20th-21st Oct. 1965 3282-3283
No. S.O. 3396, dated 19th-21st Oct. 1965 3284
No. S.O. 3397, dated 25th Oct. 1965 3284
No. S.O. 3398, dated 25th Oct. 1965 3285

PAGES

Addendum No. S.O. 3399, dated 27th Oct. 1965 3286
No. S.O. 3400, dated 26th Oct. 1965 3286
Order No. S.O. 3401, dated 18th Oct. 1965 3287
Order No. S.O. 3402, dated 18th Oct. 1965 3288
No. S.O. 3403, dated 26th Oct. 1965 ... 3289–3290
No. S.O. 3404, dated 19th Oct. 1965 ... 3291–3292
No. S.O. 3405, dated 20th Oct. 1965 ... 3293–3294
No. S.O. 3406, dated 21st October 1965 ... 3295–3296
Order No. S.O. 3407, dated 13th Oct. 1965 ... 3297
No. S.O. 3408, dated 27th October 1965 3298
No. S.O. 3409, dated 28th October 1965 ... 3299
Order No. S.O. 3410, dated 27th Oct. 1965 ... 3300
No. S.O. 3411, dated 28th Oct. 1965 3301
No. S.O. 3412, dated 28th Oct. 1965 3302

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. B.G. 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, NOV. 11, 1965 (KARTHIKA 20, SAKA ERA 1887). | No. 44

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES—

Notification No. LAW 87 LCA 65, dated 2nd Nov. 1965 ... 153—155

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 90 LCR 65, dated 12th April 1965 ... 811—863
Notification No. LAW 197 LCR 65, dated 30th October—4th November 1965 ... ... 864—865
Notification No. LAW 196 LCR 65, dated 30th October—4th November 1965 866
Notification No. CI 485 BCS 65, dated 13th October 1965 ... 867

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Notification No. LAW 52 LGN 65, dated 5th Nov. 1965 ... 165—166
Notification No. LAW 49 LGN 65, dated 6th Nov. 1965 ... 167—168
Notification No. LAW 12 LGN 65, dated 6th Nov. 1965 .. 169—170
Notification No. LAW 55 LGN 65, dated 6th Nov. 1965 ... 171—173

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 722, dated 2nd Nov. 1965 1993-2017
No. G.S.R. 723, dated 26th Oct. 1965 2018
No. G.S.R. 724, dated 28th Oct. 1965 2019
No. G.S.R. 725, dated 29th Oct. 1965 2020
No. G.S.R. 726, dated 8th Nov. 1965 2021-2026
No. G.S.R. 727, dated 8th Nov. 1965 2027-2028

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O 3416, dated 25th Oct. 1965 3303-3306
Order No. S.O. 3417, dated 25th Oct. 1965 3307-3312
Order No S.O. 3418, dated 25th Oct. 1965 3313-3316
Order No. S.O. 3419, dated 27th Oct. 1965 3317-3322
Order No. S.O. 3420, dated 28th Oct. 1965 3323-3326
No. S.O. 3421, dated 20th Oct. 1965 3327-3330
Order No. S.O. 3422, dated 28th Oct. 1965 3331-3332
No. S.O. 3423, dated 28th Oct. 1965 3333
No. S.O. 3424, dated 28-29th Oct. 1965 3334
No. S.O. 3425, dated 29th Oct. 1965 3335
No. S.O. 3426, dated 28-29th Oct. 1965 3336
No. S.O. 3427, dated 28-29th Oct. 1965 3337
No. S.O. 3428, dated 29th Oct. 1965 3338
No. S.O. 3429, dated 28th Oct. 1965 3339

PAGES

No. S.O. 3430, dated 29th Oct. 1965 3340

No. S.O. 3431, dated 20th Oct. 1965 ... 3341–3342

No. S.O. 3432, dated 25th Oct. 1965 ... 3343–3344

No. S.O. 3433, dated 22nd Oct. 1965 ... 3345–3347

No. S.O. 3434, dated 22nd Oct. 1965 ... 3348–3349

No. S.O. 3435, dated 20th Oct. 1965 3350–3352

No. S.O. 3436, dated 26th Oct. 1965 ... 3353–3354

No. S.O. 3437, dated 22nd Oct. 1965 ... 3355–3356

No. S.O. 3438, dated 25th Oct. 1965 3357–3358

No. S.O. 3439, dated 26th Oct. 1965 ... 3359–3360

No. S.O. 3440, dated 28th Oct. 1965 ... 3361–3363

No. S.O. 3441, dated 30th Oct. 1965 ... 3364

Corrigendum No. S.O. 3442, dated 2nd Oct. 1965 3364

Corrigendum No. S.O. 3443, dated 4th Nov. 1965 3365

No. S.O. 3444, dated 4th Nov. 1965 3366

No. S.O. 3445, dated 1st Nov. 1965 ... 3367

No. S.O. 3446, dated 1st Nov. 1965 ... 3368–3375

No. S.O. 3447, dated 28th Oct. 1965 ... 3376–3378

Order No. S.O. 3448, dated 20th Oct. 1965 3379–3385

Corrigendum No. S.O. 3449, dated 18—19th Oct. 1965 ... 3386–3387

Order No. S.O. 3450, dated 26th Oct. 1965 ... 3388–3389

Order No. S.O. 3451, dated 26th Oct. 1965 3390–3394

Order No. S.O. 3452, dated 26–30th Oct. 1965 ... 3395–3397

Order No. S.O. 3453, dated 3rd–4th Nov. 1965 3398

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

PART IV

Section—1-B

CENTRAL ACTS AND ORDINANCES

NOTIFICATION.

(LAW DEPARTMENT).

No LAW 87 LOA 65, Bangalore, dated the 2nd November 1965.

Ordered that the Ware-Housing Corporations (Supplementary) Act, 1965 (Central Act 20 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 1, dated the 23rd September 1965 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
10 *Under Secy. to Govt., I/c., L. D.*

Assented to on 22nd September 1965; Act No. 20 of 1965.

THE WAREHOUSING CORPORATIONS (SUPPLEMENTARY) ACT, 1965

AN

ACT

to supplement the provisions of the Warehousing Corporations Act, 1962.

WHEREAS in pursuance of clause (1) of article 252 of the Constitution, resolutions have been passed by the Legislatures of certain States to the effect that storage of commodities other than those covered by the Warehousing Corporations Act, 1962 (58 of 1962), in warehouses run by the corporations established under that Act, shall be regulated in those States by Parliament by law;

AND WHEREAS, in consequence thereof it is necessary to supplement the provisions of the said Warehousing Corporations Act for the purposes hereinafter appearing;

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. Short title application and commencement.—(1) This Act may be called the Warehousing Corporations (Supplementary) Act, 1965.

(2) It shall apply to the States specified in the Schedule:

Provided that the Central Government may, by notification in the Official Gazette, add the names of any other States to the Schedule in respect whereof resolutions have been passed by the Legislatures of those States adopting this Act under clause 1) of article 252 of the Constitution in respect of the storage of commodities other than those covered by the Warehousing Corporations Act, 1962 (58 of 1962) and on the issue of any such notification the States so added shall be deemed to be States specified in the Schedule within the meaning of this sub-section.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Application of the Act with respect to notified commodities.—The Warehousing Corporations Act, 1962, (58 of 1962) shall, in its application to the States for the time being specified in the Schedule, have effect as if in clause (e) of section of that Act the words and figures " being a commodity with respect to which Parliament has power to make laws by virtue of entry 33 in List III in the Seventh Schedule to the Constitution " had been omitted.

THE SCHEDULE

[*See* section 1 (2)]

1. Andhra Pradesh.
2. Gujarat.
3. Kerala.
4. Madras.
5. Mysore.
6. Punjab.
7. Rajasthan.
8. Uttar Pradesh.

R. C. S. SARKAR,
Secy. to the Govt. of India.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PAGES

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Notification No. LAW 13 LGN 65, dated 11th Nov. 1965 ... 175—176
Notification LAW 50 LGN 65, dated 11th Nov. 1965 ... 177—181
Notification No. LAW 42 LGN 65, dated 11th Nov. 1965 .. 182—187
Notification No. LAW 45 LGN 65, dated 11th Nov. 1965 ... 188—192

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 728, dated 9th Nov. 1965 2029-2046
No. G.S.R. 729, dated 5th Nov. 1965 2047
No. G.S.R. 730, dated 10/12th Nov. 1965 2048
Corrigendum No. G.S.R. 731, dated 12th Nov. 1965 ... 2049
No. G.S.R. 732, dated 11th Nov. 1965 2050-2051

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3457, dated 3rd Nov. 1965 3399-3404
Order No. S.O. 3458, dated 3rd Nov. 1965 3405-3410
Order No. S.O. 3459, dated 21st Oct. 1965 3411-3419
No. S.O. 3460, dated 6th Nov. 1965 3420
No. S.O. 3461, dated 6th Nov. 1965 3420
No. S.O. 3462, dated 8th Nov. 1965 3421
No. S.O. 3463, dated 4th Nov. 1965 3422
No. S.O. 3464, dated 9th Nov. 1965 3423
No. S.O. 3465, dated 5th Nov 1965 3424
No. S.O. 3466, dated 8th Nov. 1965 3425
No. S.O. 3467, dated 8th Nov. 1965 3426-3427
No. S.O. 3468, dated 8th Nov. 1965 3428
No. S.O. 3469, dated 2nd Nov. 1965 3429
No. S.O. 3470, dated 4th Nov. 1965 3430

Reg. No. B.G. 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, NOV. 18, 1965
(KARTHIKA 27, SAKA ERA 1887). | No. 45

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

Notification No. LAW 16 LCA 65, dated 2nd Nov. 1965 ... 509—512
Notification No. LAW 75 LCA 65, dated 30th October 1965 513—523
Notification No. LAW 81 LCA 65, dated 2nd Nov. 1965 524—526

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES—

Notification No. LAW 88 LCA 65, dated 2nd Nov. 1965 ... 157—160
Notification No. LAW 81 LCA 65, dated 2nd Nov. 1965 161—165
Notification No. LAW 83 LCA 65, dated 2nd Nov. 1965 166—169

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

No. 82/142/62 dated 1st Nov. 1965 869—907

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

No. LAW 60 LGN 65, dated 11-16th Nov. 1965 13

PAGES

No. S.O. 3471, dated 11th Nov. 1965 3431
No. S.O. 3472, dated 8th Nov. 1965 3432-3433
No. S.O. 3473, dated 10th Nov. 1965 3434
No. S.O. 3474, dated 9th Nov. 1965 3435
Order No. S.O. 3475, dated 12th Nov. 1965 3436
Order No. S.O. 3476, dated 12th Nov. 1965 3437
No. S.O. 3477, dated 30th October 1965 3438-3439
No. S.O. 3478, dated 28th Oct. 1965 3440-3441

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. B.G. 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, NOV. 25, 1965
(MARGASIRA 4, SAKA ERA 1887). | No. 46

PART IV

CONTENTS

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES—

Notification No. LAW 86 LCA 65, dated 2nd–9th Nov. 1965 ... 171—207

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 198 LCR 65, dated 11th Nov. 1965 ... 909—910
Notification No. LAW 199 LCR 65, dated 11th Nov. 1965 ... 911—912
Notification No. LAW 200 LCR 65, dated 11th Nov. 1965 ... 913
Notification No. LAW 211 LCR 65, dated 11th Nov. 1965 ... 914—915
Notification No. LAW 210 LCR 65, dated 11th Nov. 1965 ... 916

PART IV—SECTION 2-A

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B

MYSORE ACTS AND ORDINANCES— ... Nil

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 735, dated 9th Nov. 1965 2055–2061
No. G.S.R. 736, dated 9th Nov. 1965 2062
No. G.S.R. 737, dated 10th Nov. 1965 2063
No. G.S.R. 738, dated 25th Nov. 1965 2064
No. G.S.R. 739, dated 20th Nov. 1965 2065
No. G.S.R. 740, dated 22nd Nov. 1965 2066–2067
Corrigendum No. G.S.R. 741, dated 15th Nov. 1965 ... 2068
Order No. G.S.R. 742, dated 15th Nov. 1965 ... 2068
No. G.S.R. 734, dated 11th Nov. 1965 2069–2160

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3482, dated 9th Nov. 1965 3521–3544
Order No. S.O. 3485, dated 9th Nov. 1965 3545–3548
Order No. S.O. 3486, dated 9th Nov. 1965 3549–3552
Order No. S.O. 3487, dated 10th Nov. 1965 3553–3554
Order No. S.O. 3488, dated 9th Nov. 1965 3555–3560
Order No. S.O. 3489, dated 10th Nov. 1965 3561–3564
Order No. S.O. 3490, dated 10th Nov. 1965 3565–3568
Order No. S.O. 3491, dated 10th Nov. 1965 ... 3569–3592
Order No. S.O. 3492, dated 5th Nov. 1965 3593–3596
No. S.O. 3493, dated 17th Nov. 1965 3597
No. S.O. 3494, dated 17th Nov. 1965 3598
No. S.O. 3495, dated 11th Nov. 1965 3599
No. S.O. 3496, dated 11th Nov. 1965 3600
No. S.O. 3497, dated 9th Nov. 1965 3600

PAGES

No. S.O. 3498, dated 11th Nov. 1965 3601
No. S.O. 3499, dated 11th Nov. 1965 3601
Order No. S O. 3500, dated 12th Nov. 1965 3602–3603
No. S.O. 3501, dated 12th Nov. 1965 3604
No. S.O. 3502, dated 27th Oct. 1965 3605–3606
No. S.O. 3503, dated 2nd Nov. 1965 3607–3608
No. S.O. 3504, dated 1st Nov. 1965 3609–3611
No. S.O. 3505, dated 30th Oct. 1965 3612–3614
No. S.O. 3506, dated 30th Oct. 1965 3615–3617
No. S.O. 3507, dated 12–15th Nov. 1965 3618
Order No. S.O. 3508, dated 25th Oct. 1965 3619–3626
Order No. S.O. 3509, dated 10th Nov. 1965 3627–3630
No. S.O. 3510, dated 22nd Nov. 1965 3631–3632
No. S.O. 3511, dated 22nd Nov. 1965 3632

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE

Reg. No. B.G. 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, DEC. 2, 1965 (MARGASIRA 11, SAKA ERA 1887). | No. 47

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON—

Notification No. LAW 23 LCA 65, dated 15th March 1965 527—566 (1—40)

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 213 LCR 65, dated 11th Nov. 1965 ... 917—918

Notification No. LAW 214 LCR 65, dated 11th Nov. 1965 ... 919—921

Notification No. LAW 215 LCR 65, dated 11th Nov. 1965 ... 922—926

Notification No. LAW 208 LCR 65, dated 11th Nov. 1965 927—928

PART IV—SECTION 2 A

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PAGES

PART IV—SECTION 2-B

MYSORE ACTS AND ORDINANCES—

Notification No. LAW 55 LGN 62, dated 26th Nov. 1965 ... 193—194

Notification No. LAW 59 LGN 65, dated 26th Nov. 1965 ... 195

Notification No. LAW 59 LGN 65, dated 26th Nov. 1965 ... 196

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R 735, dated 9th Nov. 1965 ... 2161-2168

No. G.S.R. 744, dated 25th Nov. 1965 ... 2169-2183

No. G.S.R. 745, dated 23rd Nov. 1965 ... 2184-2185

No. G.S.R. 746, dated 23rd Nov. 1965 ... 2186-2189

No. G.S.R. 747, dated 20th August 1965 ... 2190-2191

No G.S.R. 748, dated 18th Nov. 1965 2192

No. G.S.R. 749, dated 18th Nov. 1965 ... 2193

Corrigendum No. G.S.R. 750, dated 24th Nov. 1965 2194

No. G.S.R. 751, dated 30th Nov. 1965 2195-2196

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3515, dated 18th Nov. 1965 3635-3706

Order No. S.O. 3517, dated 7th April 1965 ... 3707-3710

Order No S.O. 3518, dated 17th Nov. 1965 3711-3714

Order No. S.O. 3519, dated 10th Nov. 1965 3715-3718

Order No. S.O. 3520, dated 17th Nov. 1965 3719-3722

Order No. S.O. 3521, dated 15th Nov. 1965 3723-3728

Order No. S.O. 3522, dated 17th Nov. 1965 3729-3732

Order No. S.O. 3523, dated 10th Nov. 1965 3733-3744

Order No. S.O. 3524, dated 18th Nov. 1965 3745-3748

Order No. S.O. 3525, dated 20th Nov. 1965 ... 3749

Order No. S.O. 3526, dated 20th Nov. 1965 ... 3750

Order No. S.O. 3527, dated 23rd Nov. 1965 ... 3751
Order No. S.O. 3528, dated 23rd Nov. 1965 3752
Order No. S.O. 3529, dated 23rd Nov. 1965 3753
Order No. S.O. 3530, dated 20th Nov. 1965 3754
Order No. S.O. 3531, dated 20th Nov. 1965 ... 3755
Order No. S.O. 3532, dated 20th Nov. 1965 3756–3757
No. S.O. 3533, dated 19th Nov. 1965 3758
No. S.O. 3534, dated 22nd Nov. 1965 3759
No. S.O. 3535, dated 18th Nov. 1965 ... 3760–3761
No. S.O. 3536, dated 20th–22nd Nov. 1965 ... 3762
No. S.O. 3537, dated 17th Nov. 1965 ... 3763–3764
No. S.O. 3538, dated 16th Nov. 1965 3765
No. S.O. 3539, dated 19th Nov. 1965 ... 3766–3767
No. S.O. 3540, dated 22nd Nov. 1965 ... 3768–3769
No. S.O. 3541, dated 20th Nov. 1965 3770
No. S.O. 3542, dated 19th Nov. 1965 3771
No. S.O. 3543, dated 19th Nov. 1965 3772
No. S.O. 3544, dated 24th Nov. 1965 ... 3773–3774
No. S.O. 3545, dated 22nd Nov. 1965 3775
No. S.O. 3546, dated 22nd Nov. 1965 3775
No. S.O. 3547, dated 19th Nov. 1965 ... 3776
Corrigendum No. S.O. 3548, dated 27th Nov. 1965 3777
No. S.O. 3549, dated 20th Nov. 1965 ... 3778–3779
No. S.O. 3554, dated 30th Nov. 1965 ... 3780–3783
No. S.O. 3555, dated 30th Nov. 1965 3784

PART IV—SECTION 2-D

RULES MADE BY THE HIGH COURT OF MYSORE—

Notification No. ROC 1096 of 59, dated 24th Nov. 1965 9—62 (1—54)

Vol. 100 | BANGALORE, THURSDAY, DEC. 9, 1965 (MARGASIRA 18, SAKA ERA 1887). | No. 48

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES Nil

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 127 LCR 65, dated 3rd Aug. 1965 929—984
Notification No. LAW 203 LCR 65, dated 11th Nov. 1965 ... 985
Notification No. LAW 216 LCR 65, dated 30th Nov. 1965 ... 986—987

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES—

Notification No. LAW 62 LGN 65, dated 7th Dec. 1965 197
Notification No. LAW 62 LGN 65, dated 7th Dec. 1965 198

PAGES

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 735, dated 9th Nov. 1965 2197–2204

No. G.S.R. 752, dated 23rd–25th Nov. 1965 2205–2220

No. G.S.R. 753, dated 24th Nov. 1965 2221–2222

No. G.S.R. 754, dated 1st Dec. 1965 2223–2227

No. G.S.R. 755, dated 29th Nov. 1965 2228–2229

No. G.S.R. 756, dated 29th Nov. 1965 2230

No. G.S.R. 757, dated 29th Nov. 1965 2231

No. G.S.R. 758, dated 29th Nov. 1965 2232–2233

No. G.S.R. 759, dated 29th Nov. 1965 2234–2239

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3556, dated 24th Nov. 1965 3785–3786

Order No. S.O. 3557, dated 23rd Nov. 1965 3787–3794

No. S.O. 3558, dated 24th Nov. 1965 3795

No. S.O. 3559, dated 19th Nov. 1965 3796

No. S.O. 3560, dated 24th Nov. 1965 3797

No. S.O. 3561, dated 24th Nov. 1965 3798

No. S.O. 3562, dated 24th Nov. 1965 3798

Order No. S.O. 3563, dated 19th Nov. 1965 3799–3800

No. S.O. 3564, dated 23rd Nov. 1965 3801

No. S.O. 3565, dated 23rd–25th Nov. 1965 3802

No. S.O. 3566, dated 20th Nov. 1965 3803

Order No. S.O. 3569, dated 12th Nov. 1965 3804–3805

No. S.O. 3570, dated 24th Nov. 1965 3806–3807

No. S.O. 3571, dated 25th Nov. 1965 3808

No. S.O. 3572, dated 22nd Nov. 1965 3808

Declaration No. S.O. 3573, dated 27th Nov. 1965 ... 3809–3810

No. S.O. 3574, dated 19th Nov. 1965 3811–3812

No. S.O. 3575, dated 29th Nov. 1965 3813

PAGES

No. S.O. 3576, dated 29th Nov. 1965 3813
No. S.O. 3577, dated 22nd Nov. 1965 3814
No. S.O. 3578, dated 23rd Nov. 1965 3815
No. S.O. 3579, dated 25th Nov. 1965 3816
No. S.O. 3580, dated 25th Nov. 1965 3817
No. S.O. 3581, dated 25th Nov. 1965 3818
No. S.O. 3582, dated 25th Nov. 1965 3819
No. S.O. 3583, dated 25th Nov. 1965 3820
No. S.O. 3584, dated 1st Dec. 1965 3821
No. S.O. 3585, dated 1st Dec. 1965 3822
No. S.O. 3586, dated 29th Nov. 1965 3823-3824
No. S.O. 3587, dated 27th Nov. 1965 3825-3826
Order No. S.O. 3588, dated 24th Nov. 1965 3827-3829
No. S.O. 3589, dated 30th Nov. 1965 3830
Order No. S.O. 3590, dated 26th Nov. 1965 3831
Order No. S.O. 3591, dated 26th Nov. 1965 3831
No. S.O. 3592, dated 30th Nov. 1965 3832
Order No. S.O. 3593, dated 29th Nov. 1965 3833
No. S.O. 3594, dated 30th Nov. 1965 3834
No. S.O. 3595, dated 1st Dec. 1965 3835
No. S.O. 3596, dated 1st Dec. 1965 3836
No. S.O. 3597, dated 1st Dec. 1965 3837
Order No S O 3598, dated 26th Nov. 1965 3838
Order No. S.O. 3599, dated 22nd Nov. 1965 3838

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE—

Notification No. ROC 1842/57, dated 24th Nov. 1965 63

Reg. No. B.G. 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, DEC. 16, 1965
(MARGASIRA 25, SAKA ERA 1887). | No. 49

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT ... ... Nil

PART IV—SECTION 2-A.

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ...

PART IV—SECTION 2-B.

MYSORE ACTS AND ORDINANCES

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 758, dated 4th Dec. 1965 2241–2257

No. G.S.R. 759, dated 1st Dec. 1965 2258

No. G.S.R. 760, dated 30th Nov. 1965 2259

No. G.S.R. 761, dated 30th Nov. 1965 2260

No. G.S.R. 762, dated 30th Nov. 1965 2261

No. G.S.R. 763, dated 30th Nov. 1965 2262

No. G.S.R. 764, dated 30th Nov. 1965 2263

No. G.S.R. 765, dated 30th Nov. 1965 2264

No. G.S.R. 766, dated 9th Dec. 1965 2265–2361

No. G.S.R. 767, dated 6th Dec. 1965 2362

No. G.S.R. 768, dated 4th Dec. 1965 2363

No. G.S.R. 769, dated 2nd Dec. 1965 2364

No. G.S.R. 770, dated 30th Nov. 1965 2365–2366

No. G.S.R. 771, dated 1st Dec. 1965 2367

Corrigendum No. G.S.R. 772, dated 15th Dec. 1965 ... 2369

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3601, dated 30th Nov. 1965 3839–3840

Order No. S.O. 3602, dated 27th Nov. 1965 3841–3848

Order No. S.O. 3603, dated 3rd Dec. 1965 3849–3852

Order No. S.O. 3604, dated 3rd Dec. 1965 3853–3856

Order No. S.O. 3605, dated 25th Nov. 1965 3857–3864

Order No. S.O. 3606, dated 27th Nov. 1965 3865–3884

Order No. S.O. 3607, dated 3rd Dec. 1965 3885–3888

Order No. S.O. 3608, dated 3rd Dec. 1965 3889–3892

Order No. S.O. 3609, dated 25th Nov. 1965 3893–3899

No. S.O. 3610, dated 7th Dec. 1965 3900–3903

Order No. S.O. 3611, dated 10th Dec. 1965 3904

No. S.O. 3612, dated 6th Dec. 1965 3905

No. S.O. 3613, dated 10th Dec. 1965 3906

PAGES

No. S.O. 3614, dated 8th Dec. 1965 3907
No. S.O. 3615, dated 4th Dec. 1965 3908
Corrigendum No. S.O. 3616, dated 8th Dec. 1965 ... 3909
No. S.O. 3617, dated 8th Dec. 1965 3910–3911
No S.O. 3618, dated 8th Dec. 1965 3912–3913
No. S.O. 3619, dated 4th Dec. 1965 3914–3915
Order No. S.O. 3620, dated 8th Dec. 1965 3916
No. S.O. 3621, dated 29th Nov. 1965 3917
Order No. S.O. 3622, dated 8th Dec. 1965 3918
Order No. S.O. 3623, dated 9th Dec. 1965 3919
Order No. S.O. 3624, dated 8th Dec. 1965 3920
No. S.O. 3627, dated 15th Dec. 1965 3921

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE ... Nil

Reg. No. B.G. 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, DEC. 23, 1965 (PUSHYA 2, SAKA ERA 1887). | No. 50

PART IV

CONTENTS

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON—

Notification No. LAW 78 LCA 65, dated 29-30th Oct. 1965 567—678
Notification No. LAW 83 LCA 64, dated 18th Dec. 1964 ... 679—710

Notification No. LAW 82 LCA 64, dated 18th Dec. 1964 ... 711—715

Corrigenda

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES

PART IV—SECTION 1-C.

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. LAW 207 LCR 65, dated 11th Nov. 1965 ... 989—1008
Notification No. LAW 189 LCR 65, dated 15th Sept. 1965 ... 1009-1015
Notification No. LAW 190 LCR 65, dated 15th Sept. 1965 ... 1016-1025
Notification No. LAW 204 LCR 65, dated 11th Nov. 1965 ... 1026-1027

PAGES

No. 429/MY/65, dated 4th Dec. 1965 ... 1028-1038

No. 429/MY/(1) 55, dated 4th Dec. 1965 1039-1047

Notification No. LAW 205 LCR 65, dated 11th Nov. 1965 ... 1048-1054

Notification No. LAW 206 LCR 65, dated 11th Nov. 1965... 1055

Notification No. GAD 24 ITR 65, dated 13th Dec. 1965 ... 1056

No. 429/65/(2)/MY. dated 8th Dec. 1965 1057

PART IV—SECTION 2-A

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... ... Nil

PART IV—SECTION 2-B

MYSORE ACTS AND ORDINANCES ...

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 774, dated 10th Dec. 1965 2371-2393

No. G.S.R. 775, dated 18th Dec. 1965 2394-2398

Erratum dated 18th Dec. 1965 2399

No. G.S.R. 776, dated 10th Dec. 1965 2400

No. G.S.R. 777, dated 4th Dec. 1965 2401

No. G.S.R. 778, dated 18th Dec. 1965 2402-2404

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3631, dated 3rd Dec. 1965 3923-3926

No. S.O. 3632, dated 10th Dec. 1965 3927

No. S.O. 3633, dated 10th Dec. 1965 3928

No. S.O. 3634, dated 10th Dec. 1965 3929

Order No. S.O. 3635, dated 13th Dec. 1965 3930

Order No. S.O. 3636, dated 13th Dec. 1965 3031

No. S.O. 3637, dated 13th Dec. 1965 3932

PAGES
No. S.O. 3638, dated 13th Nov. 1965 3933
No. S.O. 3639, dated 13-14th Dec. 1965 3934-3940
Corrigendum No. S.O. 3640, dated 3rd Dec. 1965 ... 3941-3942
Order No S.O. 3641, dated 12-25th Nov. 1965 ... 3943-3945
Corrigendum No. S.O. 3642, dated 10th Dec. 1965 3946
No S.O. 3643, dated 4th Dec. 1965 ... 3947-3949
No. S.O. 3644, dated 3rd Dec. 1965 ... 3950-3951
Order No. S.O. 3645, dated 9th Dec. 1965 ... 3952-3954
Order No. S.O. 3646, dated 30th Nov. 1965 3955-3956
No. S.O. 3647, dated 10th Dec. 1965 3956
Order No. S.O. 3648, dated 24th Nov. 1965 3957-3971
Order No. S.O. 3649, dated 2nd-7th Dec. 1965 ... 3972-3973
No. S.O. 3650, dated 13th Dec. 1965 ... 3974-3975
No. S.O. 3651, dated 14th Dec. 1965 3976
No. S.O. 3652, dated 14th Dec. 1965 3977
No. S.O. 3653, dated 8-14th Dec. 1965 3978
No. S.O. 3654, dated 13th Dec. 1965 3979
No. S.O. 3655, dated 14-15th Dec. 1965 3980
Order No. S.O. 3656, dated 10th Dec. 1965 3981-3984
Order No. S.O. 3657, dated 10th Dec. 1965 3985-3992
Order No. S.O. 3658, dated 2nd-4th Dec. 1965 ... 3993-3994
No. S.O. 3659, dated 14th Dec. 1965 3995
No. S.O. 3660, dated 10th Dec. 1965 3996
Order No. S.O. 3661, dated 15th Dec. 1965 ... 3997
Order No. S.O. 3662, dated 15th Dec. 1965 ... 3998
Order No. S.O. 3663, dated 10th Dec. 1965 3999-4018
No. S.O. 3664, dated 9th Dec. 1965 ... 4019-4020

PART IV—SECTION 2-D.

RULES MADE BY THE HIGH COURT OF MYSORE Nil

Reg. No. B.G. 202.

The Mysore Gazette

PUBLISHED BY AUTHORITY

Vol. 100 | BANGALORE, THURSDAY, DEC. 30, 1965
(PUSHYA 9, SAKA ERA 1887). | No. 51

PART IV

CONTENTS

PAGES

PART IV—SECTION 1-A.

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON— Nil

PART IV—SECTION 1-B.

CENTRAL ACTS AND ORDINANCES

Notification No. LAW 94 LCA 65, dated 11th Nov. 1965 ... 209—245

PART IV—SECTION 1-C

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT—

Notification No. GAD 17 SSP 65, dated 1[illegible]th Dec. 1965 ... 1059-1060
Notification No. CI 241 GMI 65, dated 16th Dec. 1965 ... 1061-1062
Notification No. HD 7 PLD 65, dated 22nd Dec. 1965 ... 1063-1064

PART IV—SECTION 2-A

MYSORE BILLS AND REPORTS OF SELECT COMMITTEES THEREON ... Nil

PART IV—SECTION 2-B

MYSORE ACTS AND ORDINANCES Nil

PAGES

PART IV—SECTION 2-C (i)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION—

No. G.S.R. 779, dated 20th Dec. 1965 ... 2405–2452
No. G.S.R. 780, dated 18th Dec. 1965 ... 2453
No. G.S.R. 781, dated 22nd Dec. 1965 ... 2454
No. G.S.R. 782, dated 10th Dec. 1965 ... 2455
No. G.S.R. 783, dated 10th Dec. 1965 2456
No. G.S.R. 784, dated 28th Dec. 1965 ... 2457–2458

PART IV—SECTION 2-C (ii).

STATUTORY ORDERS ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS—

Order No. S.O. 3668, dated 10th Dec. 1965 ... 4021–4024
Order No. S.O. 3669, dated 10th Dec. 1965 4025–4030
Order No. S.O. 3670, dated 15th Dec. 1965 ... 4031–4048
Order No. S.O. 3671, dated 20th Dec. 1965 4049–4050
Order No. S.O. 3672, dated 18th Dec. 1965 4051–4054
Order No. S.O. 3673, dated 20th Dec. 1965 4055–4056
Order No. S.O. 3674, dated 13th Dec. 1965 4057–4059
Order No. S.O. 3675, dated 15th Dec. 1965 ... 4060
Order No. S.O. 3676, dated 15th Dec. 1965 ... 4061
Order No. S.O. 3677, dated 15th Dec. 1965 ... 4062
Order No. S.O. 3678, dated 15th Dec. 1965 ... 4063
Order No. S.O. 3679, dated 15th Dec. 1965 ... 4064
No. S.O. 3680, dated 17th Dec. 1965 ... 4065
Corrigendum No. S.O. 3681, dated 15th Dec. 1965 4066
Order No. S.O. 3682, dated 15th Dec. 1965 ... 4067
No. S.O. 3683, dated 20th Dec. 1965 ... 4067
No. S.O. 3684, dated 17–18th Dec. 1965 4068
No. S.O. 3685, dated 16th Dec. 1965 4068
No. S.O. 3686, dated 17–18th Dec. 1965 ... 4069
No. S.O. 3687, dated 13th Dec. 1965 ... 4070–4071
No. S.O. 3688, dated 17th Dec. 1965 ... 4072–4073
No. S.O. 3689, dated 18th Dec. 1965 ... 4074–4075

PAGES

No. S.O. 3690, dated 17th Dec. 1965 4076-4077
No. S.O. 3691, dated 18th Dec. 1965 4078-4080
Order No. S.O. 3693, dated 14th Dec. 1965 4081
Notice No. S.O. 3694, dated 24th Dec. 1965 4082
Notice No. S.O. 3695, dated 24th Dec. 1965 4083
Notice No. S.O. 3696, dated 24th Dec. 1965 4084
No. S.O. 3697, dated 16th Dec. 1965 4085-4087
No. S.O. 3698, dated 14th Dec. 1965 4088
Order No. S.O. 3699, dated 27th Dec. 1965 4089
No. S.O. 3700, dated 18th Dec. 1965 4090
No. S.O. 3701, dated 15-16th Dec. 1965 ... 4091
No. S.O. 3702, dated 15-16th Dec. 1965 4091
Notice No. S.O. 3703, dated 16th Dec. 1965 4092-4099
No. S.O. 3704, dated 14th Dec. 1965 4100
No. S.O. 3705, dated 24th Dec. 1965 4101
Order No. S.O. 3706 dated, 20th Dec. 1965 4102
Order No. S.O. 3707, dated 20th Dec. 1965 4103
Order No. S.O. 3708, dated 17th Dec. 1965 ... 4104-4105
Order No. S.O. 3709, dated 20th Dec. 1965 ... 4106
Order No. S.O. 3710, dated 20th Dec. 1965 4107
Order No. S.O. 3711, dated 20th Dec. 1965 4108
No. S.O. 3712, dated 22nd Dec. 1965 4109
Corrigendum No. S.O. 3713, dated 14th Dec. 1965 ... 4109
No. S.O. 3714, dated 21st Dec. 1965 4110-4112
No. S.O. 3715, dated 21st Dec. 1965 4113-4114
No. S.O. 3716, dated 24th Dec. 1965 4115-4121
Order No. S.O. 3717, dated 28th Dec. 1965 4122

PART IV—SECTION 2-D

RULES MADE BY THE HIGH COURT OF MYSORE

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 56 LCA 64, Bangalore, dated 4th January 1965.

Ordered that the Major Port Trusts (Amendment) Bill, 1964 (XXIII of 1964) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 27th November 1964 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore

S. SRIPADARAJ,

26 *Under Secretary to Government. L. D.*

BILL NO. XXIII OF 1964

A Bill to amend the Major Port Trusts Act, 1963.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Major Port Trusts (Amendment) Act, 1964.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Amendment of section 42.—In section 42 of the Major Port Trusts Act, 1963 (**38 of 1963**) (hereinafter referred to as the principal Act), after sub-section (2), the following sub-section shall be inserted, namely :—

"(2A) Every Board shall prepare and issue an outturn report of every vessel within thirty days from the common landing date and thereafter, if it is found that any package or packages have not been landed, shall, if so required by the importer, issue shortlanding certificate therefor within thirty days of the issue of the outturn report."

3. Amendment of section 120.—In section 120 of the principal Act, for the words "six months," the words "one year" shall be substituted.

STATEMENT OF OBJECTS AND REASONS

Difficulties are being experienced by the trade in the clearance of goods short of full supplies. The present Bill seeks to remove the difficulties by providing for the issue of shortlanding certificates.

M. P. BHARGAVA.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section - 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON

NOTIFICATION

(LAW DEPARTMENT)

No. LAW 75 LCA 64, Bangalore dated 19/21 November 1964.

Ordered that the Representation of the People, (Second Amendment) Bill 1964 (71 of 1964) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 3rd October 1964 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

S. SRIPADARAJ,
Under Secy. to Govt., L. D.

LOK SABHA

The following Bill was introduced in Lok Sabha on the 3rd October, 1964:—

BILL NO. 71 OF 1964.

A Bill further to amend the Representation of the People Act, 1951.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows :—

1. **Short title**—This Act may be called the Representation of the People (Second Amendment) Act, 1964.

2. **Insertion of new Chapter and Sections after Section 145.**— In Part VIII of the Representation of the 43 of 1951.

People Act, 1951, after Section 145, the following Chapter and Sections shall be inserted, namely :—

"CHAPTER IV

Powers of Election Commission in connection with Inquiries as to Disqualifications of Members.

Powers of Election Commission.- 146. (1) Where in connection with the tendering of any opinion to the President under article 103 or, as the case may be, under Sub-Section (4) of Section 14 of the Government of Union 20 of 1963. Territories Act, 1963, or to the Governor under article 192, the Election Commission considers it necessary or proper to make an inquiry, and the Commission is satisfied that on the basis of the affidavits filed and the documents produced in such inquiry by the parties concerned of their own accord, it cannot come to a decisive opinion on the matter which is being inquired in to, the Commission shall have, for the purposes of such inquiry, the powers of the civil court, 5 of 1908. while trying a suit under the Code of Civil Procedure, 1908, in respect of the following matters, namely :—

(*a*) summoning and enforcing the attendance of any person and examining him on oath;

(*b*) requiring the discovery and production of any document or other material object producible as evidence;

(*c*) receiving evidence on affidavits;

(*d*) requisitioning any public record or a copy thereof from any court or office;

(*e*) issuing commissions for the examination of witnesses or documents.

(2) The Commission shall also have the power to require any person, subject to any privilege which may be claimed by that person under any law for the time being in force, to furnish information on such points or matters as in the opinion of the Commission may be useful for, or relevant to, the subject matter of the inquiry.

(3) The Commission shall be deemed to be a civil court and when any such offence as is described in Section 175, Section 178, Section 179, Section 180, or Section 228, of the 45 of 1860. Indian Penal Code, is committed in the view or presence of the Commission, the Commission may after recording the facts constituting the offence and the statement of the accused as provided for in the Code of Criminal Procedure

1898, forward the case to a magistrate having jurisdiction to 5 of 1898. try the same and the magistrate to whom any such case is forwarded shall proceed to hear the complaint against the accused as if the case had been forwarded to him under Section 482 of the Code of Criminal Procedure, 1898.

(4) Any proceeding before the Commission shall be deemed to be a judicial proceeding within the meaning of Section 193 and Section 228 of the Indian Penal Code.

Statements made by persons to the Election Commission.— 146A No statement made by a person in the course of giving evidence before the Election Commission shall subject him to, or be used against him in, any civil or criminal proceeding except a prosecution for giving false evidence by such statement:

Provided that the statement-

(*a*) is made in reply to a question which he is required by the Commission to answer, or

(*b*) is relevant to the subject-matter of the inquiry

Procedure to be followed by the Election Commission.- 146B The Election Commission shall have the power to regulate its own procedure (including the fixing of places and times of its sittings and deciding whether to sit in public or in private).

Protection of action taken in good faith-146C No. suit, prosecution or other legal proceeding shall lie against the Commission or any person acting under the direction of the Commission in respect of anything which is in good faith done or intended to be done in pursuance of the foregoing provisions of this Chapter or of any order made thereunder or in respect of the tendering of any opinion by the Commission to the President or, as the case may be, to the Governor or in respect of the publication, by or under the authority of the Commission of any such opinion, paper or proceedings."

STATEMENT OF OBJECTS AND REASONS

If any question arises as to whether a member of Parliament or of a State Legislature (including the Legislature of a Union territory) has become subject to any disqualifications specified in article 102 (Parliament) or article 191 (State Legislature) or section 14 (1) of the Government of Union Territories Act, 1963 (Union Territory Assembly) the question is referred to the President under article 103, or under section 14 (3) of the Government of Union Territories Act, or to the

Governor under article 192 for decision and the President or, as the case may be, the Governor is required to obtain the opinion of the Election Commission on the question and decide it in accordance with such opinion.

Before the Election Commission can give a considered opinion on such a reference, the Commission may naturally require further relevant materials besides the bare averment made by the person who has raised the question and other interested parties. But neither the Constitution nor the Government of Union Territories Act, 1963, nor the Representation of the People Act, 1951, prescribes the procedure to be followed by the Commission in this regard. While the Commission has been charged with the responsibility of tendering a binding opinion on the question of disqualification of a member, it has not been vested with the necessary legal powers which would enable it to hold an adequate inquiry into the issues involved. The allegations made in such cases are of serious consequence to the parties concerned and often involve questions of great public importance. In the absence of the necessary legal powers in this behalf the Election Commission is very often handicapped in the matter of finding out the true state of affairs in relation to an alleged disqualification. The Commission has experienced this difficulty in several cases including a recent one in which the Commission has expressly recommended that it should be vested with the powers of a civil court as under the Commissions of Inquiry Act, 1952, such as the power to summon witnesses and examine them on oath, the power to compel the production of documents, the power to issue commissions for the examination of witnesses, etc. A similar recommendation was made by the Commission in Chapter XXIV of its Report on the Second General Elections in India, 1957, Vol. I.

The recommendation of the Election Commission appears quite reasonable. It is accordingly proposed that when in any inquiry in connection with the disqualification of a member of Parliament or of a State Legislature the Election Commission is satisfied that it cannot come to a decisive opinion on the basis of the affidavits filed and documents produced in the inquiry by the parties concerned of their own accord, then, the Commission shall have the powers of a civil court as mentioned in the Commissions of Inquiry Act, 1952.

The Bill is intended to give effect to this proposal by inserting a new Chapter IV in Part VIII of the Representation of the People Act, 1951.

NEW DELHI; A. K. SEN.

The 29th September, 1964.

S. L. SHAKDHER,

Secretary.

NOTIFICATION

(LAW DEPARTMENT)

No. LAW 77 LCA 64, Bangalore dated November 19/21, 1964.

Ordered that the Anti-Corruption Laws (Amendment) Bill 1964 (Bill No. 67 of 1964) which has been published in the *Gazette of India*, Extraordinary, Part II, Sec-2 dated the 24th September 1964 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

S. SRIPADARAJ,
Under Secy. to Govt., L. D.

LOK SABHA

The following Bill was introduced in Lok Sabha on the 24th September, 1964:—

BILL No. 67 OF 1964.

A Bill further to amend the Indian Penal Code, 1860, the Code of Criminal Procedure 1898, the Criminal Law Amendment Ordinance, 1944, the Delhi Special Police Establishment Act, 1946, the Prevention of Corruption Act, 1947 and the Criminal Law Amendment Act, 1952.

Be it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title** - This Act may be called the Anti-Corruption Laws (Amendment) Act, 1964.

2. **Amendment of Act 45 of 1860**— In the Indian Penal Code,—

(1) in section 21,—

(*i*) for clause *Third*, the following clause shall be substituted, namely:—

"*Third.*—Every judge including any person empowered by law to discharge, whether by himself or as a member of any body of persons, any adjudicatory functions;"

(*ii*) in clause *Fourth*, after the words "officer of a Court of Justice", the brackets and words "(including a liquidator, receiver or commissioner)" shall be inserted;

(*iii*) in clause *Ninth*, the words "and every officer in the service or pay of the Government or remunerated by fees or commission for the performance of any public duty" shall be omitted;

(*iv*) for clause *Twelfth*, the following clause shall be substituted, namely:—

"*Twelfth.*— Every person—

(*a*) in the service or pay of the Government or remunerated by fees or commission for the performance of any public duty by the Government;

(*b*) in the service or pay of a local authority, a corporation established by or under a Central, Provincial or State Act or a Government company as defined in section 617 of the Companies Act, 1956.";

(*v*) *Explanation* 4 shall be omitted;

(2) in Section 161, Section 162 and Section 163, after the words "the Legislature of any State" the words and figures "or with any local authority, corporation or Government company referred to in Section 21" shall be inserted.

3. Amendment of Act 5 of 1898— In the Code of Criminal Procedure, 1898, —

(1) in Section 198B, —

(*a*) in Sub-Section (1), the brackets and words "(other than the offence of defamation by spoken words)" shall be omitted;

(*b*) after Sub-Section (5), the following sub-section shall be inserted, namely:—

"(5A) Every trial under this section shall be held *in camera* if either party thereto so desires or if the Court of Session so thinks fit to do.";

(*c*) after Sub-Section (13), the following Sub-Section shall be inserted, namely:—

"(14) Where a case is instituted under this section for the trial of an offence, nothing in sub-section (13) shall be constructed as requiring a complaint to be made also by the person aggrived by such offence.";

(2) in Sub-Section (2) of Section 22, for the words "dishonest misappropriation of money, it shall be sufficient to specify the gross sum", the words "dishonest misappropriation of money or other movable property, it shall be sufficient to specify the gross sum or, as the case may be, describe the movable property" shall be substituted;

(3) in sub-section (1) of section 492, for the words "The State Government", the words "The Central Government or the State Government" shall be substituted;

(4) in sub-section (1) of Section 495, for the words "generally or specially empowered by the State Government", the words "generally or specially empowered by the Central Government or the State Government" shall be substituted.

4. Amendment of Ordinance 38 of 1944—In the Schedule to the Criminal Law Amendment Ordinance, 1944, after item 4, the following item shall be inserted, namely:—

> "4A. An offence punishable under section 5 of the Prevention of Corruption Act, 1947.". 2 of 1947

5. Amendment of Act 25 of 1946—In the Delhi Special Police Establishment Act, 1946, in section 5, after sub-section (2), the following sub-section shall be inserted, namely:—

> "(3) Where any such order under sub-section (1) is made in relation to any area, then, without prejudice to the provisions of sub-section (2), any member of the Delhi Special Police Establishment of or above the rank of Sub-Inspector may, subject to any orders which the Central Government may make in this behalf, exercise the powers of the officer in charge of a police station in that area and when so exercising such powers, shall be deemed to be an officer in charge of a police station discharging the functions of such an officer within the the limits of his station.".

6. Amendment of Act 2 of 1947—In the prevention of Corruption Act, 1947,—

(1) in Section 4,—

(*a*) in sub-section (1), after the words and figures "or section 165 of the Indian Penal Code", the words, brackets, letters and figures "or of an offence referred to in clause (*a*) or clause (*b*) of sub-section (1) of section 5 of this Act punishable under sub-section (2) thereof" shall be inserted;

(*b*) in sub-section (2), after the words, figures and letter "section 165A of the Indian Penal Code", the words, brackets and figures "or under clause (*ii*) of sub-section (3) of section 5 of this Act" shall be inserted;

(2) in section 5,—

(*a*) in sub-section (1),—

(*i*) the words "in the discharge of his duty" shall be omitted;

(*ii*) after clause (*d*), the following clause shall be inserted, namely:—

"(*e*) if he or any person on his behalf is in possession or has, at any time during the period of his office, been in possession, for which the public servant cannot satisfactorily account, of pecuniary resources or property disproportionate to his known sources of income.".

(*b*) in Sub-Section (2), the words "in the discharge of his duty" shall be omitted;

(*c*) for Sub-Section (*2A*) and (3), the following sub-sections shall be substituted, namely:—

"(3) Whoever habitually commits—

(*i*) an offence punishable under Section 162 or Section 163 of the Indian Penal Code, or

(*ii*) an offence punishable under section 165A of the Indian Penal Code,

shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to seven years, and shall also be liable to fine:

Provided that the court may, for any special reasons recorded in writing, impose a sentence of imprisonment of less than one year.

(*3A*) Whoever attempts to commit an offence referred to in clause (*c*) or clause (*d*) of sub-section (1) shall be punishable with imprisonment for a term which may extend to three years, or with fine, or with both.

(*3B*) Where a sentence of fine is imposed under sub-section (2) or sub-section (3), the court in fixing the amount of fine shall take into consideration the amount or the value of the property, if any, which the accused person has obtained by committing the offence or where the conviction is for an offence referred to in clause (*e*) of sub-section (1), the pecuniary resources or property referred to in that clause for which the accused person is unable to account satisfactorily.".

(3) for section 5A, the following section shall be substituted, namely:—

Investigation into cases under this Act.—"5A. (1) Notwithstanding anything contained in the Code of Criminal Procedure, 1898, no police officer below the rank,— 5 of 1898.

(a) in the case of the Delhi Special Police Establishment, of an Inspector of Police;

(b) in the presidency-towns of Calcutta and Madras, of an Assistant Commissioner of Police;

(c) in the presidency-town of Bombay, of a Superintendent of Police; and

(d) elsewhere, of a Deputy Superintendent of Police,

shall investigate any offence punishable under section 161, section 165 or section 165A of the Indian Penal Code or under section 5 of this Act without the order of a Presidency Magistrate or a magistrate of the first class, as the case may be, or make any arrest therefor without a warrant: 45 of 1860

Provided that if a police officer not below the rank of an Inspector of Police is authorised by the State Government in this behalf by general or special order, he may also investigate any such offence without the order of a Presidency Magistrate or a magistrate of the first class, as the case may be, or make arrest therefor without a warrant:

Provided further that an offence referred to in clause (*e*) of sub-section (*1*) of section 5 shall not be investigated without the order of a police officer not below the rank of a Superintendent of Police.

(2) If, from information received or otherwise, a police officer has reason to suspect the commission of an offence which he is empowered to investigate under sub-section (*1*) and considers that for the purpose of investigation or inquiry into such offence, it is necessary to inspect any bankers' books, then, notwithstanding anything contained in any law for the time being in force, he may inspect

any bankers' books in so far as they relate to the accounts of the person suspected to have committed that offence or of any other person suspected to be holding money on behalf of such person, and take or cause to be taken certified copies of the relevant entries therefrom, and the bank concerned shall be bound to assist the police officer in the exercise of his powers under this sub-section:

Provided that no power under this sub-section in relation to the accounts of any person shall be exercised by a police officer below the rank of a Superintendent of Police, unless he is specially authorised in this behalf by a police officer of or above the rank of a Superintendent of Police.

Explanation.—In this sub-section the expressions "bank" and "bankers' books" shall have the meanings assigned to them in the Bankers' Books Evidence Act, 1891." ; 18 of 1891

(4) in sub-section (*1*) of section 6, after the word, brackets and figure "sub-section (*2*)", the words, brackets, figure and letter "or sub-section (*3*A)" shall be inserted;

(5) after section 6, the following section shall be inserted, namely:—

Particulars in a charge in relation to an offence under section 5 (1) (c) "6A. Notwithstanding anything contained in the Code of Criminal Procedure, 1898, when an accused is charged with an offence under clause (*c*) of sub-section (*1*) of section 5, it shall be sufficient to describe in the charge the property in respect of which the offence is alleged to have been committed, and the dates between which the offence is alleged to have been committed, without specifying particular items or exact dates, and the charge so framed shall be deemed to be a charge of one offence within the meaning of section 234 of the said Code: 5 of 1898.

Provided that the time included between the first and last of such dates shall not exceed one year.";

(*6*) in section 7, the words brackets and figure "sub-section (*2*) of" shall be omitted;

(*7*) after section 7, the following section shall be inserted namely:—

The Code of Criminal Procedure, 1898, to apply subject to certain modifications.—"7A. The provisions of the Code of Criminal Procedure, 1898, shall, in their application to any proceeding in relation to an offence punishable under section 161, section 165 or section 165A of the Indian Penal Code or under section 5 of this Act, have effect as if,- 45 of 1860

(*a*) in sub-section (*8*) of section 251A, for the words "The accused shall then be called upon" the words "The accused shall then be required at once to give in writing a list of the persons (if any) whom he proposes to examine as his witnesses and of the documents (if any) on which he proposes to rely, and he shall then be called upon" had been substituted;

(*b*) in sub-section (*1A*) of section 344, after the second proviso, the following proviso had been inserted namely,:—

'Provided also that the proceeding shall not be adjourned or postponed merely on the ground that an application under section 435 has been made by a party to the proceeding.";

(*c*) in sub-section (*1*) of section 435, before the *Explanation*, the following proviso had been inserted, namely:—

"Provided that where the powers under this sub-section are exercised by a court on an application made by a party to such proceedings, the court shall not ordinarily call for the record of the proceeding—

(*a*) without giving the other party an opportunity of showing cause why the record should not be calld for; or

(*b*) if it is satisfied that an examination of the record of the proceeding may be made from the certified copies thereof;

and in any case, the proceedings, before the inferior court shall not be stayed except for reasons to be recorded in writing.";

(*d*) after sub-section (*2*) of section 540A, the following sub-section had been inserted, namely:—

"(3) Notwithstanding anything contained in sub-section (*1*) or sub-section (*2*), the judge or magistrate may, if he thinks fit and for reasons to be recorded by him, proceed with inquiry or trial in the absence of the accused or his pleader and record the evidence of any witness, subject to the right of the accused to recall the witness for cross-examination":

(8) in section 8, after the word, brackets and figure "sub-section (*2*)", the words, brackets, figure and letter "or sub-section (*3A*)" shall be inserted.

7. Amendment of Act 46 of 1952.- In the Criminal Law Amendment Act, 1952, in clause (*a*) of sub-section (1) of section 6, the words, brackets and figure "sub-section (2) of" shall be omitted.

STATEMENT OF OBJECTS AND REASONS

The Committee on Prevention of Corruption was appointed in 1962 to review the problem of corruption and to suggest measures to combat it. The Committee has made various suggestions for dealing with the problem and has, *inter alia*, recommended certain changes in the law to ensure speedy trial of cases of bribery, corruption and criminal misconduct, and to make the law otherwise more effective. The Bill is intended to give effect to such of these recommendations that have been accepted.

2. The following are the main features of the Bill:—

(*a*) The definition of 'public servant' in section 21 of the Indian Penal Code is proposed to be amended so as to bring within its purview certain additional categories of persons such as persons performing adjudicatory functions under any law, liquidators, receiver, commissioners, etc.

(*b*) The Code of Criminal Procedure, 1898 is being amended so as to bring within the purview of section 198B of the Code the offence of defamation by spoken words also and to make it clear that it should not be necessary to take the consent of the person defamed before proceedings are instituted under the section. It is also proposed to provide that trials under this section may be held *in camera* under certain circumstances. Besides, it is also proposed to amend the Code so as to empower the Central Government to appoint public prosecutors.

(*c*) The Delhi Special Police Establishment Act, 1946 is being amended to enable officers of the Delhi Special Police Establishment, not below the rank of a Sub-Inspector, to exercise the powers of an officer in charge of police station.

(*d*) The Committee has recommended a number of important amendments to the Prevention of Corruption Act, 1947. It has suggested that the presumptions enunciated in sub-sections (1) and

(2) of section 4 of the Act should be made available also in respect of offences under section 5 and possession of disproportionate assets should be made a substantive offence. It has also recommended that habitually corrupting public servants should be made an offence and that attempts to commit certain offences under Section 5 of the Act should also be made punishable. Certain other recommendations in regard to investigation into corruption cases, have also been made. It is proposed to give effect to all these recommendations, subject, of course, to suitable safeguards.

The Committee has suggested certain amendments to the Code of Criminal Procedure, 1898, particularly to the provisions relating to the inspection of documents (in so far as they have a bearing on the inspection of bankers' books), adjournments, stay of proceedings, calling of records, recording of evidence in the absence of the accused, etc. As these recommendations have been made in the context of the limited problem of prevention of corruption, it is proposed to give effect to them by inserting suitable provisions in the Prevent ion of Corruption Act, 1947.

(e) Further, it is considered necessary to take powers to obtain an order of attachment of money or other property believed to have been obtained by the commission of offences under Section 5 of the Prevention of Corruption Act, 1947 and for this purpose, it is proposed to amend the Criminal Law Amendment Ordinance, 1944, suitably.

(f) The Criminal Law Amendment Act, 1952 is being amended to make the new offences under the Prevention of Corruption Act also triable by special courts.

NEW DELHI, JAISUKHLAL HATHI.
The 11th September, 1964.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. 43/34/64-AVD, dated the 11th September, 1964 from Shri Jai Sukh Lal Hathi, Minister of State in the Ministry of Home Affairs to the Secretary, Lok Sabha.]

The President having been informed of the subject matter of the Anti-Corruption Laws (Amendment) Bill, 1964, recommends the introduction and consideration of the Bill in the Lok Sabha under articles 117 (1) and 117 (3) of the Constitution of India.

Notes on clause

Clause 2.- This clause seeks to amend the Indian Penal Code.

Sub-Clause (1).—'Public servant' has been defined in Section 21 of the Code and it is proposed to amend it so as to bring within its purview certain additional categories of persons, namely,

(a) persons discharging adjudicatory functions,

(b) liquidators, receivers and commissioners appointed by courts and

(c) persons in the service or pay of any statutory corporation which is not engaged in any trade or industry.

Sub-Clause (2).—The amendments are of a consequential nature.

Clause 3.—This clause seeks to amend the Code of Criminal Procedure, 1898.

Sub-Clause (1).—This sub-clause seeks to amend Section 198B of the Code. Under this Section, public prosecutors are empowered under certain circumstances to file complaints in respect of offences of defamation other than by spoken words against the President, Vice-President, Ministers and other public servants in respect of their conduct in the discharge of their public functions. It is proposed to amend Section 198B so as to enable proceedings, being taken thereunder, even in respect of an offenec of defamation by spoken words. It is further proposed to provide that a trial under the Section may be held *in camera* under certain circumstances. Doubts have arisen as to whether a public prosecutor can file a complaint under this Section without the consent of the public servant alleged to have been defamed. It is proposed to make it clear that it will not be necessary to obtain the consent of the public servant for instituting proceedings under the Section.

Sub-clause (2).—This sub-clause seeks to amend sub-section (2) of Section 222 of the Code for providing that even in cases of dishonest misappropriation of movable property other than money, it shall be sufficient to describe in the charge the movable property in respect of which and the dates between which the offence is alleged to have been committed without specifying particular items or exact dates. This is for avoiding multiplicity of proceedings in such cases.

Sub clause (3).—This sub-clause seeks to amend Section 492 of the Code to enable the Central Government to appoint public prosecutors. Such a power is necessary for dealing expeditiously with corruption cases.

Sub-clause (4).—The amendment made by this sub-clause is of a consequential nature.

Clause 4.—This clause seeks to amend the Criminal Law Amendment Ordinance, 1944 which provides for attachment of money or other property believed to have been obtained by the commission of offences specified in the Schedule thereto. To facilitate similar action in relation to offences under the Prevention of Corruption Act, 1947, it is proposed to include these offences also in the Schedule.

Clause 5.—This clause seeks to amend Section 5 of the Delhi Special Police Establishment Act, 1946 for enabling officers of the Delhi Special Police Establishment not below the rank of a Sub-Inspector of Police to exercise the powers of an officer in charge of a police station. Such powers are necessary for speedy investigation into corruption cases.

Clause 6.—This clause seeks to amend the Prevention af Corruption Act, 1947.

Sub-clause (1).—Section 4 of the Prevention of Corruption Act, provides that on proof of certain facts constituting an offence under Section 161, 165 or 165A of the Indian Penal Code, the motive requisite under those Sections shall be presumed unless the contrary is proved. This sub-clause seeks to amend the said Section 4 so as to provide that a similar presumption as to motive shall be made also in cases of offences under the Prevention of Corruption Act which involve motive as an ingredient thereof, namely, the offences referred to in clauses (a) and (b) of Sub-Section (1) of Section 5 of the Act and the offence under clause (ii) of proposed Sub-Section (3) of the said Section 5.

Sub-clause (2).—This sub-clause seeks to amend Section 5 of the Act,—

(i) to cover offences of criminal misconduct by public servants acting as intermediaries by deleting the words 'in the discharge of his duty';

(ii) to make possession of assets by public servant disproportionate to the known sources of his income for which he cannot satisfactorily account, a substantive offence;

(iii) to make habitual commission of offences under Section 162, 163 and 165A of the Indian Penal Code, substantive offences;

(iv) to make attempts to commit offences of criminal misconduct referred to in clause (c) or clause (d) of Sub-Section (1) of the Section also, punishable, and

(v) to make certain consequential changes.

Sub-clause (3).—This sub-clause seeks to substitute a new Section 5A for existing Section 5A of the Act. Sub-Section (1) of the new Section corresponds to the existing Section 5A subject to two modifications aimed at facilitating quick investigation of corruption cases.

The modifications are (a) for empowering Inspectors of the Delhi Special Police Establishment to investigate offenecs mentioned in the Section without any authorisation as at present and b) for empowering State Government to authorise police officers, not below the rank of Inspectors, to investigate the said offences.

Experience has shown that for the effective and speedy investigation of the offences mentioned in Sub-Section (1) of the new Section 5A, it is necessary to confer on the Police Officers empowered under that sub-section to investigate those offences, powers to inspect banker's books, in so far as such books relate to the accounts of any person suspected to have been guilty of commission of any of the said offences. Sub-Section (2) of new Section 5A is for this porpose. To ensure that the powers are not abused, it has been provided that the powers shall not be exercised by a police officer below the rank of a Superintendent of Police unless he is specially authorised in this behalf by a Police Officer of or above the rank of a Superintendent of Police.

Sub-clause (4).—The amendments are of a consequential nature.

Sub-clause (5).— In the case of an offence of dishonest or fraudulent misappropriation or conversion of property entrusted to or under the control of a public servant referred to in clause (c) of sub-section (1) of section 5 of the Prevention of Corruption Act, it is often difficult to describe in the charge the exact dates on which the various items of the property have been so misappropriated or converted. To overcome this difficulty and also to avoid multiplicity of proceedings, it is proposed to provide that in such cases, it will be sufficient to describe in the charge the property in respect of which and the dates between which the offence is alleged to have been committed without specifying particular items or exact dates.

Sub-clause (7).— This sub-clause seeks to modify various provisions of the Code of Criminal Procedure in their application to any proceeding in relation to an offence punishable under section 161, section 165A of the Indian Penal Code or under section 5 of the Prevention of Corrup tion Act, 1947. The modifications are for the purpose of ensuring speedy trial of the off ences. The following are the modifications:—

(a) Section 251A of the Code of Criminal Procedure which deals with the procedure to be adopted in the trial of warrant cases instituted on a police report contains necessary provisions to ensure that the accused is supplied with important documents, namely, the documents referred to in Section 173 of that Code, on which the prosecution wants to rely. The reason for this is that the accused should not be taken by surprise. The section does not cast a similar obligation on the accused to furnish to the prosecution a list of witnesses and documents on which he proposes to rely upon in his defence. The modification to Section 251A is for the purpose of casting such an obligation.

(b) Suitable provision is being made to avoid adjournment or postponement of trials or inquiries on the ground merely that an application for revision is pending.

(c) Summoning of records and stay of proceedings by revisional courts cause considerable delay in the trial of cases. In order to minimise such delay, it is proposed to insert a new proviso in section 435 (1) of the Code of Criminal Procedure for the purpose of laying down certain conditions which have to be fulfilled before a record may be called for or before the proceedings may be stayed.

(d) To avoid delay occasioned by absence of the accused, it is proposed to provide that the court may, in its discretion, proceed with the trial or inquiry and record the evidence even in the absence of the accused, while suitably protecting the right of the accused regarding cross-examination of the witnesses.

Sub-clause (8).— The amendment is of a consequential nature.

Clause 7.— This clause seeks to amend Section 6 of of the Criminal Law Amendment Act for making the new offences provided in the Prevention of Corruption Act, 1947 also triable by special Judges.

FINANCIAL MEMORANDUM

Clause 7 of the Bill seeks to make the new offences relating to bribery and corruption under Section 5 of the Prevention of Corruption Act, 1947, triable by special Judges. This may involve expenditure as it may be necessary to set up more special courts. The expenditure in respect of special courts in the States and in the Union Territories with separate Consolidated Funds of their own will be met from their respective Consolidated Funds. The expenditure in respect of special courts in the other Union Territories, however, will be met from the Consolidated Fund of India. The quantum of this expenditure is likely to be small but it cannot now be estimated with any degree of accuracy.

S. L. SHAKDHER,

Secretary.

NOTIFICATION

(LAW DEPARTMENT)

No. LAW 76 LCA 64 Bangalore dated 19th/21st November 1964.

Ordered that the Companies (II Amendment) Bill, 1964, (64 of 1964) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 21st September 1964 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

S. SRIPADARAJ,
Under Secy. to Govt., R. D.

LOK SABHA

The following Bills were introduced in Lok Sabha on the 21st September, 1964 :—

BILL NO. 65 OF 1964

A Bill to confer on the President the power of the Legislature of the State of Kerala to make laws.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows :—

1. **Short title**—This Act may be called the Kerala State Legislature (Delegation of Powers) Act, 1964.

2. **Definition**—In this Act, "Proclamation" means the Proclamation issued on the 10th day of September, 1964, by the President under clause (1) of article 356 of the Constitution.

3. **Conferment on the President of the power of the State Legislature to make laws**—(1) The power of the Legislature of the State of Kerala to make laws, which has been declared by the proclamation to be exercisable by or under the authority of Parliament, is hereby conferred on the President.

(2) In the exercise of the said power, the President may, from time to time, whether Parliament is or is not in session, enact as a President's Act a Bill containing such provisions as he considers necessary :

Provided that before enacting any such Act, the President shall, whenever he considers it practicable to do so, consult a committee constituted for the purpose consisting of all the members of the House of the People and the Council of States who for the time being fill the seats allotted to the State of Kerala in the two Houses.

(3) Every Act enacted by the President under Sub-Section (2) shall, as soon as may be after enactment, be laid before each House of Parliament.

(4) Either House of Parliament may, by resolution passed within seven days from the date on which the Act has been laid before it under Sub-Section (3), direct any modifications to be made in the Act, and, if the modifications are agreed to by the other House of Parliament during the session in which the Act has been so laid before it or the session succeeding, such modifications shall be given effect to, by the President by enacting an amending Act under Sub-Section (2):

Provided that nothing in this Sub-Section shall affect the validity of the Act or of any action taken thereunder before it is so amended.

STATEMENT OF OBJECTS AND REASONS

Under the Proclamation of the President, dated the 10th September, 1964, the powers of the Legislature of the Kerala State are now exercisable by or under the authority of Parliament. Such legislative measures as may be necessary for the State can be taken up by Parliament only by postponing its business; and even then, it is likely that Parliament may not have time to deal with all legislative measures for the State. It is, therefore, proposed that Parliament should in accordance with the provisions of Sub-clause (*a*) of Clause (1) of article 357 of the Constitution, confer by law on the President the powers of the Legislature of the State of Kerala to make laws for the State. The present Bill is intended to give effect to this proposal.

NEW DELHI; GULZARILAL NANDA.

The 17th September, 1964.

BILL No. 64 OF 1964

A Bill further to amend the Companies Act, 1956.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows :—

1. **Short title and commencement** (1) This Act may be called the Companies (Second Amendment) Act, 1964.

(2) It shall come into force on such date as the Central Government may, by Notification in the *Official Gazette* appoint and different dates may be appointed for different provisions of this Act.

2. **Amendment of Section 1**—In Section 1 of the Companies Act, 1956 (hereinafter referred to as the principal Act), in Sub-Section (3), the following further proviso shall be inserted at the end, namely :— 1 of 1956

"Provided further that it shall apply to the State of Nagaland subject to such modifications, if any, as the Central Government may, by notification in the *Official Gazette*, specify."

3. **Amendment of Section 2**—In Section 2 of the principal Act,—

(*i*) in clause (8), after the words "deeds," the word "vouchers," shall be inserted;

(*ii*) in clause (30), after the words "manager or secretary" the words "or any person in accordance with whose directions or instructions the Board of directors or any one or more of the directors is or are accustomed to act," shall be inserted.

4. **Amendment of Section 10E.**— In Section 10E of the principal Act, after sub-section (4), the following sub-section shall be inserted, namely:—

> "(4A). The Board, with the previous approval of the Central Government, may by order in writing authorize the chairman or any of its other members or its principal officer (whether known as secretary or by any other name) to exercise and discharge, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions as it may think fit; and every order made or act done in the exercise of such powers or discharge of such functions shall be deemed to be the order or act, as the case may be, of the Board.".

5. **Amendment of Section 13.**— In section 13 of the principal Act, in sub-section (1),—

(*i*) in clause (*b*), the word "and" shall be omitted;

(*ii*) for clause (*c*), the following clauses shall be substituted, namely:—

"(*c*) the main objects of the company to be pursued by the company on its incorporation and objects incidental or ancillary to the attainment of the main objects;

(*d*) the other objects of the company not included in clause (*c*); and

(*e*) in the case of companies (other than trading corporations), with objects not confined to one State, the States to whose territories the objects extend."

6. **Amendment of Section 21**—To section 21 of the principal Act, the following proviso shall be added, namely:—

"Provided that no such approval shall be required where the only change in the name of a company is the addition thereto or, as the case may be, the deletion therefrom, of the word "Private", consequent on the conversion in accordance with the provisions of this Act of a public company into a private company or a private company into a public company.".

7. **Amendment of Section 43A.**—In section 43A of the principal Act, in sub-section (6), after clause (*a*), the following clause shall be inserted, namely:—

"(*aa*) to a private company in which shares are held by one or more bodies corporate incorporated outside India, which or each of which, if incorporated in India, would be a private company within the meaning of this Act, if the Central Government, on an application made to it in this behalf by that private company, by order so directs; or".

8. **Insertion of new Section 68A.**—After section 68 of the principal Act, under the sub-heading "*prospectus*", the following section shall be inserted, namely:—

Personation for acquisition, etc., of shares.—" 68A. (*1*) Any person who—

(*a*) makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or

(*b*) otherwise induces a company to allot, or register any transfer of, shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years.

(2) The provisions of sub-section (1) shall be prominently reproduced in every prospectus issued by the company and in

every form of application for shares which is issued by the company to any person.".

9. Amendment of Section 69—In section 69 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) All moneys received from applicants for shares shall be deposited and kept deposited in a Scheduled Bank—

(*a*) until the certificate to commence business is obtained under section 149, or

(*b*) where such certificate has already been obtained, until the entire amount of the minimum subscription has been received by the company,

and where the entire amount of the minimum subscription has not been received by the company within the time on the expiry of which the moneys received from the applicants for shares are required to be repaid without interest under sub-section (5), all moneys received from applicants for shares shall be returned in accordance with the provisions of that sub-section.".

10. Amendment of Section 73—In section 73 of the principal Act, in sub-section (5), for the words "permission shall not be deemed to be refused", the words "it shall not be deemed that permission has not been granted" shall be substituted.

11. Amendment of Section 75—In section 75 of the principal Act,

(*a*) to clause (*a*) of sub-section (1), the following proviso shall be added, namely:—

"Provided that the company shall not show in such return any shares as having been allotted for cash if cash has not actually been received in respect of such allotment and only book adjustment has been made without cash having passed.";

(*b*) in sub-section (3), for the words "is inadequate, he may extend that period as he thinks fit", the following words shall be substituted, namely:-

"is or was inadequate, he may, on application made in that behalf by the company, whether before or after the expiry of the said period, extend that period as he thinks fit";

(*c*) in sub-section (4), for the proviso, the following proviso shall be substituted, namely:—

"Provided that in case of contravention of the proviso to clause (*a*) of sub-section (1), every such officer, and every promoter of the company who is guilty of the contravention shall be punishable with fine which may extend to five thousand rupees.",

12. Amendment of Section 76—In section 76 of the principal Act,—

(*a*) in sub-section (1)—

(*i*) in clause (*iii*), the word "and" occurring at the end shall be omitted;

(*ii*) in clause (*iv*), the word "and" shall be inserted at the end; and

(*iii*) after clause (*iv*), the following clause shall be inserted, namely:—

(*v*) a copy of the contract for the payment of the commissions is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.";

(*b*) after sub-section (4), the following sub-section shall be inserted, namely:—

"(*4A*) For the removal of doubts it is hereby declared that no commission shall be paid under clause (*a*) of sub-section (1) to any person on shares or debentures which are not offered to the public for subscription.".

13. Amendment of Section 108—In section 108 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—

"(*1A*) **Every instrument of transfer—**

(*a*) **shall be in the prescribed form obtainable from the prescribed authority who shall stamp or otherwise endorse thereon the date on which it is issued, and**

(*b*) **shall be delivered to the company—**

(*i*) **in the case of shares dealt in or quoted on a recognised stock exchange within six months from such date**

(*ii*) **in any other case, within two months from that date.**"

14. Amendment of Section 111—In section 111 of the principal Act, except in sub-section (*4A*), for the words "the Central Government" or the words "that Government", wherever they occur, the words "the Tribunal" shall be substituted.

15. Amendment of Section 149—In section 149 of the principal Act,

(*a*) after sub-section (2), the following sub-section shall be inserted, namely:—

"(*2A*) Without prejudice to the provisions of sub-section (1) and sub-section (2), a company (whether it is a public company or a private company) having a share capital, whether or not it has issued a prospectus inviting the public to subscribe for its shares shall not at any time commence any business in relation to the objects specified in clause (*c*) or clause (*d*) of sub-section (1) of section 13, unless—

(*a*) the company has approved of the commencement of any such business by a special resolution passed in that behalf by it in general meeting; and

(*b*) there has been filed with the Register a duly verified declaration by one of the directors or the secretary, in the prescribed form, that clause (*a*) has been complied with;

and if the company commences any such business in contravention of this sub-section, every person who is responsible for the contravention shall, without prejudice to any other liability, be punishable with fine which may extend to five hundred rupees for every day during which the contravention continues.".

(*b*) in Sub-Section (7), for the word "Nothing", the words, brackets, figure and letter "Save as otherwise provided in sub-section (2A) nothing" shall be substituted.

16. Amendment of Section 153B.- In Section 153B of the principal Act, in Sub-Section (4),—

(*i*) in clause (b), for the words "where the trust money invested in shares in, or debentures of, a company", the words "where the value of the shares in, or debentures of, a company, held in trust" shall be substituted;

(*ii*) the following *Explanation* shall be inserted at the end namely:

'*Explanation* — The expression "the value of the shares in or debentures of, a company" in clause (b) means —

(*i*) in the case of shares or debentures acquired by way of allotment or transfer for consideration, the cost of acquisition thereof, and

(*ii*) in any other case, the paid-up value of the shares.'.

17. Amendment of Section 159- In Section 159 of the principal Act, in Sub-Section (1),—

(*a*) in clause (*f*), the word "and" occurring at the end shall be omitted;

(*b*) in clause (*g*), the word "and" shall be inserted at the end;

(*c*) after clause (*g*), the following clause shall be inserted, namely:—

"(*h*) every person referred to in clause (b) of Sub-Section (11) of Section 307.".

18. Amendment of Section 163— In Section 163 of the principal Act, in Sub-Section (1), in the proviso, in clause (*i*), the word "and" shall be inserted at the end and clause (*ii*) shall be omitted.

19. Amendment of Section 174— In Section 174 of the principal Act, in Sub-Section (1), for the words "public company, and two members personally present in the case of private company," the words, brackets, figures and letter "public company (other than a public company which has become such by virtue of Section 43A) and two members personally present in the case of any other company," shall be substituted.

20. Amendment of Section 203— In Section 203 of the principal Act, in Sub-Section (6), the words, brackets and figures', and for the purposes of the said sub-clause (*ii*), the expression "officer" shall include any person in accordance with whose directions or instructions the Board of directors of the company has been accustomed to act' shall be omitted.

21. Amendment of Section 209— In section 209 of the principal Act.—

(*a*) in Sub-Section (1)—

(*i*) in clause (*b*), the word "and" occurring at the end shall be omitted;

(*ii*) in clause (*c*), the world "and" shall be inserted at the end;

(*iii*) after clause (c), the following clause shall be inserted, namely:—

"(*d*) in the case of a company engaged in production, processing, manufacturing or mining activities, such particulars relating to utilisation of material or labour as may be prescribed, if such company is required by the Central Government to include such particulars in the books of account;";

(*b*) for Sub-Section (4), the following Sub-Section shall be substituted, namely:

"(4) (*a*) The books of account and other books and papers shall be open to inspection by any director during business hours.

(*b*) The books of account and other books and papers shall be open to inspection during business hours

(*i*) by the Registrar,

(*ii*) by any officer of Government authorised by the Central Government in this behalf:

Provided that no such inspection shall be made by the Registrar or such officer unless he is of opinion that sufficient cause exists for such inspection:

Provided further that such inspection may be made without giving any previous notice to the company or any officer thereof.

(c) The Registrar or such officer may during the course of inspection—

(*i*) make or cause to be made copies of the books of account and other books and papers,

(*ii*) place or cause to be placed any marks of identification thereon in token of the inspection having been made.

(*d*) In order to enable the Registrar or such officer to make an inspection of the books of account and other books and papers of the company, it shall be the duty of the company—

(*i*) to produce to the Registrar or such officer such books of account and other books and papers of the company as the Registrar or such officer may require,

(*ii*) otherwise to give to the Registrar or such officer all assistance in connection with the inspection which the company is reasonably able to give.";

(*c*) in Sub-Section (6),—

(*i*) in clause (*a*), the following shall be inserted at the end, namely:—

"and all officers and other employees and agents [as defined in Sub-Section (6) of Section 240] of such managing agent o secretaries and treasurers";

(*ii*) in clause (*c*), the word "and" occurring at the end shall be omitted;

(*iii*) in clause (*d*), the word "and" shall be inserted at the end;

(*iv*) after clause (*d*), the following clause shall be inserted, namely:—

"(*e*) whether or not a company has a managing agent or secretaries and treasurers, every officer and other employee and agent (defined as aforesaid) of the company.".

22. Amendment of Section 227— In section 227 of the principal Act,—

(*a*) after Sub-Section (1), the following Sub-Section shall be inserted, namely:—

"(1A) Without prejudice to the provisions of Sub-Section (1), the auditor shall inquire—

(*a*) whether loans and advances made by the company have been properly secured and whether the terms on which they have been made are not prejudical to the interest of the company or its members;

(*b*) whether transactions of the company which are reperesented merely by book entries conform to normal business practices accepted by established principles of accountancy;

(*c*) where the company is not an investment company within the meaning of Section 372, whether so much of the assets of the company as consist of shares, debentures and other securities have been sold at a price less than that at which they were purchased by the company;

(*d*) whether loans and advances made to individuals and private concerns have been shown as deposits;

(*e*) whether personal expenses have been charged to revenue account;

(*f*) where it is stated in the books and papers of the company that any shares have been allotted for cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance-sheet is correct, regular and not misleading.";

(*b*) after Sub-Section (4), the following Sub-Section shall be inserted, namely:—

"(4A) The Central Government may, by general or special order, direct thet, in the case of such class or description of companies as may be specified in the order, the auditor's report shall also include a statement on such matters as may be specified therein,".

23. **Amendment of Section 228**—In Section 228 of the principal Act, in Sub-Section (4), for the words "may, by rules made in this behalf, exempt", the words "may make rules providing for the exemption of" shall be substituted.

24. **Insertion of new Section 233B.**-After Section 233 A of the principal Act, under the Sub-heading "*Audit*". the following Sect ion shall be inserted, namely: –

Audit of cost accounts in certain cases. – "233B. (1) Where in the opinion of the Central Government it is necessary so to do for the purpose of obtaining a true and fair view of the state of affairs of any company engaged in production, processing, manufacturing or mining activities, the Central Government may, by general or special order, direct that an audit of cost accounts of the company shall be conducted in such manner as may be specified in the order by an auditor who shall be either a cost accountant within the meaning of the Cost and Works Accountants Act, 1959, or such other person possessing the prescribed qualifications.

(2) An auditor under this Section shall be appointed by the company in general meeting and the provisions of Section 224 shall apply, as far as may be, in relation to such auditor as they apply in relation to an auditor appointed under that Section.

(3) An audit conducted by an auditor under this Section shall be in addition to an audit conducted by an auditor appointed under Section 224.

(4) The provisions of Section 227 and Sections 229 to 233 shall, as far as may be, apply in relation to an audit under this Section.

(5) The auditor shall make his report in such form as may be prescribed and the provisions of Sections 216 and 219 shall apply in relation to such report as they apply in relation to a report made by an auditor appointed under Section 224.

(6) A copy of the auditor's report under this Section shall be filed with the Registrar within thirty days from the date of the signing of the report.".

25. Amendment of Section 234A—In Section 234A of the principal Act,—

(*a*) in Sub-Section (1), after the words "make an application", the words "to the Tribunal or" shall be inserted;

(*b*) in Sub-Section (2), for the word "Magistrate", the words "Tribunal or Magistrate, as the case may be," shall be substituted;

(*c*) in Sub-Section (3),—

(*i*) for the word "Magistrate", the words "Tribunal or Magistrate, as the case may be," shall be substituted;

(*ii*) in the proviso, after the word "extracts from them", the words "or place identification marks on them or any part thereof" shall be inserted;

(*d*) in Sub-Section (4), after the word "search" and the word "searches", the words "or seizure" and the words "or seizures" shall respectively be inserted.

26. Amendment of Section 240 In Section 240 of the principal Act,—

(*a*) in clause (*a*) of Sub Section (1), for the words "to produce to an inspector", the words "to preserve and to produce to an inspector or any person authorised by him in this behalf," shall be substituted;

(*b*) after Sub-Section (1), the following Sub-Sections shall be inserted, namely:

"(*1A*) The inspector may, with the previous approval of the Central Government, require any body corporate, firm or individual [other than those referred to in Sub-Section (1) to furnish such information to, or produce such books and papers before him or any person authorised by him in this behalf as he may consider necessary if the furnishing of such information or the production of such books and papers is relevant or necessary for the purposes of his investigation.

(*1B*) The inspector may keep in his custody any books and papers produced under Sub-Section (1) or (*1A*) for such period not later than the conclusion of the investigation as he considers necessary and thereafter shall return the same to the company body corporate, firm or individual by whom or on whose behalf the books and papers are produced:

Provided that if certified copies of the books and papers produced under Sub-Section (*1A*) are furnished to the inspector, he shall return those books and papers to the body corporate, firm or individual concerned.";

(*c*) for Sub-Section (2), (3), (*3A*) and (4), the following Sub-Sections shall be substituted, namely:—

"(2) An inspector may examine on oath—

(*a*) any of the persons referred to in Sub-Section (1); and

(*b*) with the previous approval of the Central Government, any other person,

in relation to the affairs of the company, other body corporate, managing agent, secretaries and treasurers or associate, as the case may be; and may administer an oath accordingly and for that purpose may require any of those persons to appear before him personally.

(*3*) If any person fails without reasonable cause or refuses—

(*a*) to produce to an inspector or any person authorised by him in this behalf any book or paper which it is his duty under Sub-Section (1) or Sub-Section (*1A*) to produce; or

(*b*) to furnish any information which it is his duty under Sub-Section (*1A*) to furnish; or

(*c*) to appear before the inspecter personally when required to do so under Sub-Section (2) or to answer any question which is put to him by the inspector in pursuance of that Sub-Section; or (*d*) to sign the notes of any examination referred to in Sub-Section (5),

he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two thousand rupees, or with both, and also with a further fine which may extend to two hundred rupees for every day after the first during which the failure or refusal continues.";

(*d*) in Sub-Section (5), the word, brackets and figure "or (4)" shall be omitted.

27. Amendment of Section 240A—In Section 240A of the principal Act,—

(*a*) in Sub-Section (1), after the words "make an application", the words "to the Tribunal or" shall be inserted;

(*b*) in Sub-Section (2), for the word "Magistrate", the words "Tribunal or Magistrate, as the case may be," shall be substituted;

(*c*) in Sub-Section (3)—

(*i*) for the word "Magistrate", the words "Tribunal or Magistrate, as the case may be", shall be substituted;

(*ii*) the following proviso shall be inserted at the end, namely:-

"Provided that the inspector may, before returning such books and papers as aforesaid, place identification marks on them or any part thereof.";

(*d*) in Sub-Section (*4*), after the word "search" and the word "searches", the words "or seizure" and the words "or seizures" shall respectively be inserted.

28. Amendment of Section 241—In Section 241 of the principal Act, in clause (*a*) of Sub-Section (*2*), after the word "any report", the brackets and words "(other than an interim report)" shall be inserted.

29. Insertion of new Section 250A.—After Section 250 of the principal Act, the following Section shall be inserted, namely: -

Voluntary winding up of company, etc., not to stop investigation proceedings. "250A. An investigation may be initiated under Section 235, 237, 239, 247, 248 or 249 notwithstanding that—

(*a*) an application has been made for an order under Section 397 or Section 398; or

(*b*) the company has passed a special resolution for voluntary winding up,

and no investigation so initiated shall be stopped or suspended by reason only of the fact that an application referred to in clause (*a*) has been made or a special resolution referred to in clause (*b*) has been passed.''.

30. Amendment of Section 252.—In Section 252 of the principal Act,—

(*i*) in Sub-Section (*1*), for the words ''public company'', the words, brackets, figures and letter ''public company (other than a public company which has become such by virtue of Section 43A)'' shall be substituted;

(*ii*) in Sub-Section (*2*), for the word ''private'', the word ''other'' shall be substituted;

31. Amendment of Section 259.—To Section 259 of the principal Act, the following proviso shall be added, namely:—

''Provided that where such permissible maximum is twelve or less than twelve, no approval of the Central Government shall be required if the increase in the number of its directors does not make the total number of its directors more than twelve.''.

32. Amendment of Section 264—In Section 264 of the principal Act—

(*i*) in Sub-Section (1), for the words ''other than a person,'' the words ''other than a director retiring by rotation or otherwise or a person'' shall be substituted;

(*ii*) for Sub Section (2) the following Sub Section shall be substituted, namely :—

(2) A person other than—

(*a*) a director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or

(*b*) an additional or alternate director, or a person filling a casual vacancy in the office of a director under Section 262, appointed as a director or re-appointed as an additional or alternate director, immediately on the expiry of his terms of office, or

(*c*) a person named as a director of the company under its articles as first registered,

shall not act as a director of the company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such director.''

33. Amendment of Section 266.—In Section 266 of the principal Act, Sub-Section (4) shall be omitted.

34. Omission of Section 271.—Section 271 of the principal Act shall be omitted.

35. **Amendment of Section 273.**—In Section 273 of the principal Act, for the word and figures "to 272", the word and figures " and 272" shall be substituted.

36. **Amendment of Section 280.**—In Section 280 of the principal Act, for Sub-Section (1) and (2), the following Sub-Section shall be substituted, namely:—

> " (1) Save as otherwise provided in this Section, a person shall not be capable of being appointed, or shall not act as a director of a company if he has attained the age of seventy-five years.
>
> (2) A director of a company shall vacate his office at the conclusion of the annual general meeting commencing next after he attains the age of seventy-five years :
>
> Provided that a director who has attained the age of seventy-five years before the commencement of the Companies (Second Amendment) Act, 1964 and is in Office at such commencement shall vacate his Office at the conclusion of the first annual general meeting held after such commencement."

37. **Omission of Section 281.**—Section 281 of the principal Act, shall be omitted.

38. **Amendment of Section 282.**—In Section 282 of the principal Act, for the words "sixty-five years", the words "seventy-five years", shall be substituted.

39. **Amendment of Section 285.**—In Section 285 of the principal Act, for the words beginning with "three calendar months" and ending with "and the date of the next meeting", the words "three months and at least four such meetings shall be held in every year" shall be substituted.

40. **Insertion of new Section 294A.**—After Section 294 of the principal Act, the following Section shall be inserted, namely :—

> **Prohibition of payment of compensation to sole selling agents for loss of office in certain cases.** "294A. (1) A company shall not pay or be liable to pay to its sole selling agent any compensation for the loss of his Office in the following cases :—
>
> (*i*) where the appointment of the sole selling agent ceases to be valid by virtue of Sub Section (2A) of Section 294;
>
> (*b*) where the sole selling agent resigns his Office in view of the reconstruction of the company or of its

amalgamation with any other body corporate or bodies corporate and is appointed as the sole selling agent of the reconstructed company or of the body corporate resulting from the amalgamation;

(*c*) where the sole selling agent resigns his Office, other-wise than on the reconstruction of the company or its amalgamation as aforesaid;

(*d*) where the sole selling agent has been guilty of fraud or breach of trust in relation to, or of gross negligence in, the conduct of his duty as the sole selling agent;

(*e*) where the sole selling agent has instigated, or has taken part directly or indirectly in bringing about, the termination of the sole selling agency.

(2) The compensation which may be paid by a company to its sole selling agent for loss of Office shall not exceed the remuneration which he would have earned if he had been in Office for the unexpired residue of his term, or for three years, whichever is shorter, calculated on the basis of the average remuneration actually earned by him during a period of three years immediately preceding the date on which his Office ceased or was terminated, or where he held his Office for a lesser period than three years, during such period."

41. Amendment of Section 303.—In Section 303 of the principal Act, in Sub- Section (2), the words "or in any of the particulars contained in the register " and the proviso shall be omitted.

42. Amendment of Section 307.—In Section 307 of the principal Act, for Sub-Section (11), the following Sub-Section shall be substituted, namely :—

"(11) The provisions of this Section and Section 308 shall apply to, and in relation to,

(*a*) every managing agent, secretaries and treasurers or manager of a company; and

(*b*) every person (other than a director) where five percent or more of the equity share capital of a public company is held by him or in trust for him or of which he has any right to become the holder whether on payment or not,

as they apply to, and in relation to, directors".

43. Amendment of Section 309.—In Section 309 of the principal Act—

(*i*) in Sub-Section (1), the following shall be added at the end, namely :—

"and the remuneration payable to any such director determined as aforesaid shall be inclusive of the remuneration payable to such director for services rendered by him in any other capacity :

Provided that any remuneration for services rendered by any such director in any other capacity shall not be so included if-

(*a*) the services rendered are of a professional nature, and

(*b*) in the opinion of the Central Government, the director possesses the requisite qualifications for the practice of the profession and such practice is his principal occupation.";

(*ii*) for Sub-Section (4), the following Sub-Section shall be substituted, namely :—

" (4) A director who is neither in the whole-time employment of the company nor a managing director may be paid remuneration—

either

(*a*) by way of a monthly payment with the approval of the Central Government;

or

(*b*) by way of commission if the company by special resolution authorises such payment :

Provided that the remuneration paid to such director, or where there is more than one such director, to all of them together, shall not exceed —

(*i*) one per cent. of the net profits of the company, if the company has a managing or whole-time director, a managing agent or secretaries and treasurers or a manager;

(*ii*) three per cent. of the net profits of the company, in any other case :

Provided further that the company in general meeting may, with the approval of the Central Government, authorise the payment of of such remuneration at a rate exceeding one per cent. or as the case may be, three per cent. of its net profits"

44. Amendment of Section 310.—To Section 310 of the principal Act, the following proviso shall be added, namely :—

"Provided that the approval of the Central Government shall not be required where any such provision or any amendment thereof purports to increase, or has the effect of increasing, the amount of such remuneration only by way of a fee for each meeting of the Board or a committee thereof attended by any such director and the amount of such fee after such increase does not exceed one hundred rupees."

45. Amendment of Section 314.—In Section 314 of the principal Act,—

(*a*) in Sub-Section (1) —

(*i*) for the words "previous consent", the word "consent" shall be substituted;

(*ii*) for the proviso, the following proviso shall be substituted, namely:—

"Provided that it shall be sufficient if the special resolution according the consent of the company is passed at the general meeting of the company held for the first time after the holding of such office or place of profit:

Provided further that where a relative of a director or a firm in which such relative is a partner, is appointed to an office or place of profit under the company or a subsidiary thereof without the knowledge of the director, the consent of the company may be obtained either in the general meeting aforesaid or within three months from the date of the appointment, whichever is later.";

(*b*) for Sub-Section (2), the following Sub-Section shall be substituted, namely:—

"(2) If any office or place of profit is held in contravention of the provisions of Sub-Section (1), the director, partner, relative, firm, private company, managing agent, secretaries and treasurers or the manager, concerned, shall be deemed to have vacated his or its office as such on and from the date next following the date of general meeting of the company referred to in the first proviso or, as the case may be, the date of the expiry of the period of three months referred to in the second proviso to that Sub-Section, and shall also be liable to refund to the company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.",

46. Amendment of Section 370— In Section 370 of the principal Act,—

(*a*) in Sub-Section (1)—

(*i*) the words "which is under the same management as the lending company" shall be omitted;

(*ii*) the following proviso shall be added at the end, namely:—

"Provided that the aggregate of the loans so made to all bodies corporate shall not exceed without the prior approval of the Central Government —

(*a*) thirty per cent. of the aggregate of the subscribed capital of the lending company and its free reserves where all such other bodies corporate are not under the same management as the lending company;

(*b*) twenty per cent. of the aggregate of the subscribed capital of the lending company and its free reserves where all such other bodies corporate are under the same management as the lending company.";

(*b*) in Sub-Section (*1C*), in clause (*b*), after the words "provided by the lending company", the words "in relation to any such body corporate" shall be inserted;

(*c*) in Sub-Section (*1D*), for the words "every such loan, guarantee or security", the words, brackets, figure and letter "every loan, guarantee or security referred to in Sub-Section (*1C*)" shall be substituted.

47. Amendment of Section 372— In Section 372 of the principal Act, in Sub-Section (13), after the word, brackets and figure "Sub-Section (2)", the words, brackets and figure "and Sub-Section (5)" shall be inserted.

48. Amendment of Section 391— In Section 391 of the principal Act, to Sub-Section (2), the following proviso shall be added, namely: —

"Provided that no order sanctioning any compromise or arrangement shall be made by the Court unless the Court is satisfied that the company or any other person by whom an application has been made under Sub-Section (1) has disclosed to the Court, by affidavit or otherwise, all material facts relating to the company, such as the latest financial position of the company, the latest auditor's report on the accounts of the company, the pendency of any investigation proceedings in relation to the company under Section 235 to 251, and the like.".

49. Amendment of Section 394— In Section 394 of the principal Act, to Sub-Section (1), the following provisos shall be added, namely: —

"Provided that no compromise or arrangement proposed for the uprposes of, or in connection with, a scheme for the amalgamation of a company, which is being wound up, with any other company or companies, shall be sanctioned by the Court unless the Court has received a report from the Company Law Board or the Registrar that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest:

Provided further that no order for the dissolution of any transferor company under clause (*iv*) shall be made by the Court unless the Official Liquidator has, on scrutiny of the books and papers of the company, made a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest.".

50. Insertion of new Section 394 A.— After Section 394 of the principal Act, the following Section shall be inserted, namely:—

Notice to be given to Central Government for applications under Sections 391 and 394— "394A. The Court shall give notice of every application made to it under Section 391 or 394 to the Central Government, and shall take into consideration the representations, if any, made to it by that Government before passing any order under any of these Sections.".

51. Amendment of Section 395— In Section 395 of the principal Act,—

(*a*) in Sub-Section (3), for the words "the transferor company shall thereupon register the transferee company as the holder of those shares:", the following shall be subsituted, namely:—

"the transferor company shall—

(*a*) thereupon register the transferee company as the holder of those shares, and

(*b*) within one month of the date of such registration, inform the dissenting shareholders of the fact of such registration and of the receipt of the amount or other consideration representing the price payable to them by the transferee company:";

(*b*) after Sub-Section (4), the following Sub-Section. shall be inserted, namely:—

"(4A) (*a*) The following provisions shall apply in relation to every offer of a scheme or contract involving the transfer of shares or any class of shares in the transferor company to the transferee company, namely:—

(*i*) every such offer or every circular containing such offer or every recommendation to the members of the transferor company by its directors to accept such offer shall be accompanied by such information as may be prescribed;

(*ii*) every such offer shall contain a statement by or on behalf of the transferee company, disclosing the steps it has taken to ensure that necessary cash will be avilable;

(*iii*) every circular containing, or recommending acceptance of such offer shall be presented to the Registrar for registration and no such circular shall be issued until it is so registered;

(*iv*) the Registrar may refuse to register any such circular which does not contain the information required to be given under Sub-clause (*i*) or which sets out such information in a manner likely to give a false impression; and

(*v*) an appeal shall lie to the Court against an order of the Registrar refusing to register any such circular.

(*b*) Whoever issues a circular referred to in Sub-clause (*iii*) of clause (*a*), which has not been registered, shall be punishable with fine which may extend to five hundred rupees.".

52. Insertion of new Section 396 A.— In the principal Act, in Chapter V of Part VI, after Section 396, the following Section shall be inserted, namely:—

Preservation of books and papers of amalgamated company.
"396A. The books and papers of a company which has been amalgamated with, or whose shares have been acquired by, another company under this Chapter shall not be disposed of without the prior permission of the Central Government and before granting such permission, that Government may appoint a person to examine the books and papers or any of them for the purpose of ascertaining whether they contain any evidence of the commission of an offence in connection with the promotion or formation or the management of the affairs, of the first mentioned company or its amalgamation or the acquisition of its shares.".

53. Amendment of Chapter VII of Part VI.- In the principal Act, in Chapter VII of Part VI,—

(*a*) in the heading, for the words "ADVISORY COMMISSION", the words "ADVISORY COMMITTEE" shall be substituted;

(*b*) for Section 410, 411, 412, 413, 414 and 415, the following Section shall be substituted, namely:—

Appointment of Advisory Committee.—" 410. For the purpose of advising the Central Government and the Company Law Board on such matters arising out of the administration of this Act as may be referred to it by that Government or Board, the Central Government may constitute an Advisory Committee consisting of not more than five persons with suitable qualifications.".

54. Amendment of Section 497 In Section 497 of the principal Act, in Sub-Section (5), for the words "Provided that", the following shall be substituted, namely:—

"Provided that the company shall not be deemed to be dissolved until the Official Liquidator has, on scrutiny of the books and papers of the company made a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest:

Provided further that".

55. Amendment of Section 509—In Section 509 of the principal Act, in Sub-Section (5), for the words "Provided that", the following shall be substituted, namely:—

"Provided that the company shall not be deemed to be dissolved until the Official Liquidator has, on scrutiny of the books and papers of the company, made a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest:

Provided further that".

56. Insertion of new Section 511A--After Section 511 of the principal Act, the following Section shall be inserted, namely:—

Application of Section 454 to voluntary winding up.—"511A. The provisions of Section 454 shall, so far as may be apply to every voluntary winding up as they apply to the winding up by the Court except that references to

(*a*) the Court shall be omitted;

(*b*) the Official Liquidator or the provisional liquidator shall be construed as references to the liquidator; and

(*c*) the "relevant date" shall be construed as references to the date of commencement of the winding up.".

57. Amendment of Section 593 In Section 593 of the principal Act, in clause (c), the words "or the particulars contained in the list of the directors and secretary" shall be omitted.

58. Substitution of new Section for Sections 635A.—For Section 635A of the principal Act, the following Sections shall be substituted, namely:—

Protection of acts done in good faith.—"635A. No suit, prosecution or other legal proceeding shall lie against the Government or any officer of Government or any other person in respect of any thing which is in good faith done or intended to be done in pursuance of this Act or any rules or orders made thereunder or in respect of the publication by or under the authority of the Government or such officer of any report, paper or proceedings.

Non-disclosure of information in certain cases.—" 635AA. Notwithstanding anything contained in any other law for the time being in force, the Registrar, any officer of Government or any other person shall not be compelled to disclose to any court, tribunal or other authority whence he got any information which

(*a*) has led the Central Government to direct a special audit under Section 233A or to order an investigation under Section 235, 237, 247, 248 or 249; or

(*b*) is or has been material or relevant in connection with such special audit or investigation.".

59. Insertion of new Section 637B.—After Section 637A of the principal Act, under the sub-heading "*Grant of approval, etc., subject to conditions and levy of fees on applications*", the following Section shall be inserted, namely:—

Condonation of delays in certain cases.—"637B. Notwithstanding anything contained in this Act,—

(*a*) where any application required to be made to the Central Government under any provision of this Act in respect of any matter is not made within the time specified therein, that Government may, for reasons to be recorded in writing, condone the delay;

(*b*) where any document required to be filed with the Registrar under any provision of this Act is not filed within the time specified therein, the Central Government may, for reasons to be recorded in writing, condone the delay."

60. Insertion of new Section 640B.—After Section 640A of the principal Act, under the sub-heading "*Schedules, Forms and Rules*", the following Section shall be inserted, namely:—

Forms of, and procedure in relation to, certain applications—" 640B. (1) Every application made to the Central Government under Section 259, 268, 269, 310, 311, 326, 328, 329, 332, 343, 345, 346, 352, 408, or 409 shall be in such form as may be prescribed.

(2) (*a*) Before any application is made by a company to the Central Government under any of the Sections aforesaid, there shall be issued by or on behalf of the company a general notice to the members thereof, indicating the nature of the application proposed to be made.

(*b*) Such notice shall be published at least once in a newspaper in the principal language of the district in which the registered office of the company is situate and circulating in that district and at least once in English in an English newspaper circulating in that district.

(*c*) Copies of the notices, together with a certificate by the company as to the due publication thereof, shall be attached to the application:

(*d*) Nothing in clause (*a*), (*b*) or (*c*) shall apply to a private company which is not the managing agent of a public company.".

61. Amendment of Schedule 1A.—In Schedule IA of the principal Act, serials 23 to 49 (both inclusive) shall be omitted.

62. Minor amendments.—The amendments directed in the Schedule, being amendments relating to matters of minor detail or of a clarificatory or consequential nature, shall be made in the Scections of the principal Act specified therein.

THE SCHEDULE

(*See* Section 62)

MINOR AMENDMENTS IN THE COMPANIES ACT, 1956

Section 2— In clause (*49A*), for "Tribunal constituted", substitute "Companies Tribunal constituted".

Section 10A.—In Sub-Section (*1*), for "constitute a Tribunal", substitute "constitute a Tribunal to be known as the Companies Tribunal".

Section 44.— In clause (*b*) of Sub-Section (*1*), for "fourteen", substitute "thirty".

Section 75.—For "one month", in all places, substitute "thirty days".

Section 95.—In Sub-Section (*1*), for "one month", substitute "thirty days".

Section 97. In Sub-Section (*1*), for "fifteen", substitute "thirty".

Section 107.—In Sub-Section (5), for "fifteen", substitute "thirty".

Section 125.—For "twenty-one", in all places, substitute "thirty".

Section 127.—In Sub-Section (*1*), for "twenty-one", in all places, substitute "thirty".

Section 128.—For "twenty-one", substitute "thirty".

Section 137.—In Sub-Section (*1*), for "fifteen", substitute "thirty".

Section 138.—In Sub-Section (*1*), for "twenty-one", substitute "thirty".

Section 146.—For "twenty-eight" and "twenty-eight", substitute respectively "thirtieth" and "thirty".

Section 156.—For "Court" and "fourteen", in all places, substitute respectively "Tribunal" and "thirty".

Section 157.—In Sub-Section (2), for "one month", in both places substitute "thirty days".

Section 159.—In Sub-Section (*1*), for "forty-two", substitute "sixty".

Section 160.—In Sub-Section (1), for "forty-two", substitute "sixty".

Section 192.—In Sub-Section (1), for "fifteen", substitute "thirty".

Section 193.—For "fourteen", in all places, substitute "thirty".

Section 220.—In Sub-Section (1), for "at the same time as the copy of the annual return referred to in Section 161" substitute "within thirty days from the date on which the balance-sheet and the profit and loss account where so laid".

Section 303.—In Sub-Section (2), for "twenty-eight", in all places, substitute "thirty".

Section 394.—In Sub-Section (3), for "fourteen", substitute "thirty".

Section 404.—In Sub-Section (3), for "fifteen", substitute "thirty"

Section 445.—In Sub-Section (1) and in Sub-Section (1A), for "one month" substitute "thirty days".

Section 481.—In Sub-Section (2), for "fourteen", substitute "thirty".

Section 509.—In Sub-Section (6), for "twenty-one", substitute "thirty".

Section 516.—In Sub-Section (1), for "twenty-one", substitute "thirty".

Section 559.—In Sub-Section (2), for "twenty-one", substitute "thirty".

Section 592.—In Sub-Section (1), for "one month", substitute "thirty days".

STATEMENT OF OBJECTS AND REASONS

In pursuance of its terms of reference, the Commission of Inquiry on the administration of Dalmia-Jain Companies made certain recommendations for the amendment of the Companies Act with a view to prevent in future malpractices of the nature observed by it, and also to ensure due and proper administration of the funds and assets of companies in the interest of the investing public. Later, at the instance of Government, a Committee consisting of Shri C. K. Daphtary and Shri A. V. Visvanatha Sastri examined the recommendations of the Commission of Inquiry and made some suggestions of its own for amending the said Act. The Bill, *inter alia*, seeks to implement the recommendations of the Commission of Inquiry and the Daphtary-Sastri Committee.

2. Opportunity is also being taken (*i*) to strengthen the provisions relating to investigation into the affairs of companies and to provide for more effective audit in dealing with cases of dishonesty and fraud in the corporate sector, and (*ii*) to simplify some of the procedural requirements which are at present burdensome to the companies without being of corresponding advantage to the Government.

3. The notes on clauses explain the provisions of the Bill.

NEW DELHI; T. T. KRISHNAMACHARI.
The 14th September, 1964.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of Letter No. 12/49/63-PR, dated the 14th September, 1964 from Shri T. T. Krishnamachari, Minister of Finance to the Secretary, Lok Sabha.]

The President having been informed of the subject matter of the proposed Bill further to amend the Companies Act, 1956, recommends to the House the consideration of the Bill under article 117 (3) of the Constitution.

Notes on clauses

clause 2.—The Companies Act at present extends only to one of the three districts of Nagaland, namely, the District of Tuensang. It is not applicable to the other two districts, namely, Kohima and Mokokchung. On the recommendation of the Government of Nagaland it is proposed to extend the Companies Act to the whole of Nagaland State.

Clause 3.—*Sub-clause* (*i*).—It is proposed to make clear that books and papers which are sometimes interpreted to exclude vouchers should include such documents. This is necessary to ensure that they are maintained along with other books and papers, and are available to Inspectors for purposes of investigation.

Sub-clause (*ii*). As recommended in paragraph 24 of Part II of the Report of the Commission of Inquiry on the Administration of Dalmia-Jain Companies (hereinafter referred to as the Commission's Report), it is proposed to expand the definition of 'Officer' so as to bring within its ambit any person in accordance with whose instructions the Board of any of the directors of a company is accustomed to act.

This is designed to counter the trend whereby dummy directors are appointed on Boards of companies to implement policies of a dubious nature, while masterminds mainly instrumental in evolving these policies remain in the background.

Clause 4.- The Act, as it stands, does not provide for delegation of powers by the Company Law Board to the officers of the Board. This creates administrative difficulties and causes unnecessary delays. This clause is intended to provide for such delegation with the approval of Government.

Clause 5.—This clause seeks to implement the recommendation of the Daphtary-Sastri Committee based on the observations contained in paragraphs 2 to 5 of the Commission's Report. The purpose of the amendment is to provide for clear definitions of the main and the subsidiary objects of a company in its Memorandum of Association.

Clause 6.—This amendment does away with the technical necessity of obtaining Government's approval under Section 21 for the mere addition or deletion of the word "Private" from a company's name, consequent on its conversion from a public into a private company or *vice versa*.

Clause 7.—It is proposed to give power to the Central Government to exempt from the provisions of Section 43A any private company in which shares are held by one or more bodies corporate, incorporated outside India, if the constitution of the said body corporate or each of the bodies corporate is such that it could be treated as a private company under the Indian Company Law. The amendment is calculated to remove the difficulty said to be experienced by small industries working in collaborating with small foreign companies of the nature of Indian private companies, because of the restrictions applicable to public companies in regard to managerial remuneration, etc.,

Clause 8.—This clause is based on the recommendation contained in paragraph 11 of the Commission's Report. It seeks to make it an offence to make applications for shares in the name of, or to induce the allotment of shares to, fictitious persons.

Clause 9.—This clause is based on the recommendation made by the Vivian Bose Commission and the Daphtary-Sastry Committee. This is intended to safeguard the amounts paid by the applicants for shares until such time as the minimum subscription is collected by the company. The proposed amendment to Section 69 (4) is on the lines indicated by the Daphtary-Sastri Committee.

Clause 10.—This clause seeks to rectify a drafting defect in Section 73 (5). This Sub-Section, which defines the circumstances in which the operation of the Section would not apply, use the phrase "permission shall not be deemed to be refused" while the operative part refers to "permission has not been granted". This difference in the expressions used has given rise to a doubt whether a company would be exempted from the operative part of this Section in the circumstances mentioned in sub-Section (5). The intention of this clause is to clarify the position.

Clause 11 (*a*).- The amendment to clause (*a*) of Sub-Section (1), which is based on the recommendation of the Daphtary-Sastri Committee, seeks to impose a duty on the promoters and directors of a company to ensure that the share-capital reflects cash or other valuable assets and is not supported by merely book adjustments.

Clause 11 (*b*).—The amendment to Section 75 (3) empowers the Registrar of Companies to grant, in appropriate cases, such extension of time as he thinks fit for filing the return of allotment even when the application for the extension is made after the expiry of one month specified in Sub-Sections (1) and (2). Simultaneously, it is also proposed to delete the existing proviso to Sub-Section (4) which gives power to the Court to grant extension of time when the delay exceeds one month. The amendment is designed to save companies from the expenses involved in applying to a Court, and help them in obtaining extension of time speedily from the Registrars.

Clause 12.—This clause is based on the recommendation contained in paragraph 10 of the Commission's Report, and seeks to make it clear that under-writing commission should not be paid except in respect of shares or debentures offered to the public. It also requires that the company should file with the Registrar a copy of the contract for payment of the under-writing commission at the time of the delivery of the prospectus.

Clause 13.—The new Sub-Section (1A) of Section 108 seeks to impose restrictions on the period of currency of blank transfers on the lines of the recommendation in paragraph 19 of the Commission's Report. The proposed restrictions are-

(*a*) that every instrument of transfer shall be in the prescribed form bearing the date of issue stamped by the prescribed authority; and

(*b*) that the said instrument is required to be delivered to the company within six months from the date of issue in the case of listed shares and within two months from that date in the case of any other shares.

These restrictions are designed to curb the abuse inherent in the system of blank transfer.

Clause 14.—Section 10A already provides for the Tribunal to exercise the powers of the Court under Section 155 for the rectification of the Share Registers of companies. Since the powers of the Central Government under Section 111 of the Act to her appeals against refusal by companies to register transfer of shares, or of a quasi-judicial nature and somewhat allied to those of the Court under Section 155, the powers and functions of the Central Government under Section 111 in regard to appeals against refusal to register transfer of shares are, by this amendment proposed to be conferred on the Tribunal.

Clause 15.—This clause is based on the recommendation contained in paragraph 6 of the Commission's Report as endorsed by the Daphtary-Sastri Committee. It seeks to prohibit a company from commencing any business in relation to its objects without obtaining the prior approval of the share-holders by a special resolution. It also requires a declaration of compliance with the provision of this Section being filed with the Registrar.

Clause 16.—A doubt has arisen as to how the value of shares and debentures should be calculated for purposes of Section 153B (4). The explanation sought to be inserted by this clause makes the position clear.

Clause 17.—This clause should be read with clause 42 which seek to amend Section 307. These two amendments are based on the recommendations of the Vivian Bose Commission that the beneficial holdings above five per cent. Limit should be disclosed so that the name of the real holders of such shares, as distinct from those of the nominees by whom such shares are ostensibly held, are known.

Clause 18.—This clause seeks to simplify the procedure contemplated in Section 163 under which a company is required *inter alia* to give notice in newspapers of their intention to maintain registers, indexes, returns and copies of certificates and documents at places other than the registered office of the company. It is felt that this requirement entails avoidable expenditure on the companies concerned, and should not be insisted upon. In any case, notice of such intention has to be given to Registrars of Companies. This would suffice.

Clause 19.—This clause seeks to remove a practical difficulty in respect of Section 43A public companies where there may be less than five members. It is, therefore, proposed to modify Section 174 and provide for two members to form a quorum.

Clause 20.—By virtue of the definition of the term 'Officer' as proposed to be revised by clause 3 (*ii*) *supra*, the words sought to be omitted from Section 203, by this amendment, are redundant.

Clause 21.—The object of the amendment of Sub-Section (1) of Section 209 is to ensure that in respect of companies engaged in production, processing, manufacturing or mining activities which may be specified by notification issued by the Central Government, proper records relating to utilisation of material and labour are available which would make the efficiency audit possible.

It is proposed to re-draft Sub-Section (4) with a view to making it clear that the Registrar of Companies or any officer authorised in that behalf may inspect the books of account and other books and papers of the company without giving any previous notice to the company or any officer thereof, if sufficient cause exists for such inspection and take copies of and put indentification marks on, the documents so inspected. Opportunity is also taken to make it obligatory on the company and its Officers to produce the necessary books of account, etc., for inspection by the Registrar or any other officer and to give them all possible assistance in connection therewith. The changes proposed in Sub-Section (6) are intended to make the officers and other employees and agents of the company and of its managing agents, secretaries and treasurers also responsible for taking reasonable steps to secure compliance with the requirements of Section 209.

Clause 22.—(*a*) This clause is based on the recommendation of the Daphtary-Sastri Committee and seeks to provide against the situation revealed in the Commission's Report under which the investing public lost heavily by contributing to the capital of the companies which indulged in dubioes practices not open to normal audit.

(*b*) It is proposed to insert a new Sub-Section namely, Sub-Section (4A) in Section 227 to enable the Government to issue suitable intructions to auditors. This provision is analogous to Section 619 which empowers the Comptroller and Auditor-General to issue similar instructions to the auditors in respect of Government companies.

Clause 23.—This amendment is of a drafting nature and is intended to enable Government to delegate the powers of granting exemption under Section 228 (4) to the officers of the Company Law Board.

Clause 24.—A new Section is proposed to be introduced as Section 233B to enable Government to issue necessary directions for conducting cost audit of companies engaged in manufacture or mining activities.

Clause 25. This clause seeks to give concurrent powers to the Tribunal constituted under Section 10A to order search and seizure by the Registrar. These powers are at present enjoyed only by First Class Magistrates (or the Presidency Magistrate).

Clause 26.—This clause seeks to provide certain facilities to Inspectors appointed under this Act to investigate various aspects of company matters. The need for such amendment is based on the experience of the difficulties encountered by the Inspectors in carrying out the duties entrusted to them.

Clause 27.—This clause seeks to confer on the Tribunal constituted under Section 10A concurrent powers to order search and seizure by Inspectors appointed under the Act. This provision is complementary to that made in clause 25 where similar concurrent powers are sought to be conferred on the Tribunal to order searches and seizures by Registrars of Companies.

Clause 28.—The existing Section 241 requires that the report of the Inspector should be sent to the company concerned. A doubt has been expressed that the existing provision might be construed to include not only the report in its final form but also such interim reports as the Inspector may choose to furnish. The amendment makes it clear that such interim reports need not be sent to the company.

Clause 29.—The proposed amendment is based on the recommendation made by the Daphtary-Sastri Committee in the light of the Commission's Report. One of the methods by which investigation into the affairs of the company was sought to be delayed was by raising technical objections to it on the ground that applications for relief against oppression and mismanagement were pending before a Court or that the company concerned had gone into liquidation. The proposed Section 250A provides that investigations may be initiated notwithstanding the voluntary winding up of the company or the pendency of such applications in Court.

Clause 30.—This clause is intended to remove a practical difficulty in respect of Section 43A public companies where the members need not be more than two. It is, therefore, proposed to modify Section 252 and provide that in the case of such companies the minimum number of directors should be two and not three as is the case with other public companies.

Clause 31—The clause is intended to obviate the need for unnecessary references by the companies to the Government or the Company Law Board. Under the existing provision of Section 259 any increase in the number of directors beyond the maximum prescribed by the Articles of Association requires the approval of Government. It is now proposed that the approval of Government would not be required for increase in the number of directors up to twelve irrespective of the provisions in the Articles of Association.

Clause 32.—Section 264 requires that a person proposed as a candidate for the office of director should file with the company his consent to act as director, if appointed. It also requires that a person other than a director, re-appointed after retirement by rotation shall not act as director unless he has filed with the Registrar his consent in writing to act as such. This amendment seeks to exempt persons who have served as Directors in the immediate preceding term from these requirements. It is felt that in the case of such persons the requirement to file their consent in writing is a formality which could well be dispensed with.

Clause 33.— This clause proposes to delete Sub-Section (4) of Section 266 as the information filed under this Sub-Section is otherwise available with the Registrar.

Clause 34.— This clause proposes to delete Section 271 altogether. The information about the share qualification of the directors would be available to the Registrar in the annual returns in which the information is included.

Clause 35.— This amendment is consequential to deletion of Section 271.

Clause 36.— The present provision regarding the retiring age of a Director is contained in Section 280. Under this Section the normal retiring age for a Director is sixty-five, but he could continue beyond this age provided a special resolution is passed by the company. The amendment seeks to raise the age of retirement of a Director to seventy-five but makes no provision for continuance beyond that age by a special resolution or otherwise. The amendment also extends the retiring age to private companies to which it had hitherto not been applicable.

Clause 37.- The deletion of Section 281, which is proposed by this clause, is consequential to the amendment of Section 280.

Clause 38.— The proposed amendment of Section 282 is also consequential to the amendment of Section 280.

Clause 39.— The w rding of Section 285, as it stands, is rather involved and has given rise to certain doubts. It is proposed to make the position clear and provide for a meeting to be held at least once in every three months and at least four times every year.

Clause 40.— This clause is based on the observations of the Vivian Bose Commission regarding the abuse arising out of payment of compensation to sole selling agents for the unexpired period of their agreement. The Commission has suggested that in certain circumstances no compensation should be paid at all, while in others compensation should be paid only for the unexpired portion of the agreed term not exceeding three years. This clause seeks to insert a new Section to implement these recommendations.

Clause 41.— This clause seeks to give relief to the companies to the extent that it would not be required to inform the Registrar of changes of pariculars in respect of their Directors, Managing Directors, Managing Agents, Secretaries and Treasurers, Managers or Secretaries except in the annual return.

Clause 42.— Sub-Section (11) of Section 307 is sought to be substituted by a new Sub-Section, which, in addition to the existing provision, will require notification of beneficial holders of more than five per cent. of the equity share capital. This proposed amendment is in implementation of the recommendations made by the Commission.

Clause 43.—(*i*) The restriction on remuneration of Directors is sometimes sought to be evaded by the Directors holding technical or other appointments in addition to their Directorships. This clause seeks to provide for such cases being brought within the purview of this Section.

(*ii*) There is no provision at present for payment of monthly salaries to part-time Directors. In response to the suggestion made by the Chamber of Commerce it is proposed that a provision should be made for such payment in appropriate cases.

Clause 44.— This clause seeks to relax the requirements of the existing Section 310 to allow companies without reference to the Central Government to increase the fees of the Directors for attending meeting of the Board or of Committees thereof up to rupees one hundred for each such meeting.

Clause 45.— In response to the suggestions received from the Chambers of Commerce it is proposed in this clause to relax the requirements regarding previous consent of the company in regard to the appointment of a Director or a partner or a relative of such a Director, etc., to hold an office or a place of profit in the company. In place of such previous consent it is now being provided that a special resolution should be obtained at the first general meeting held after such an appointment is made.

Clause 46.— The Vivian Bose Commission suggested that inter-company loans should rank at par with inter-company investments and should be subject to the same restrictions as the latter. In particular, the Commission recommended that the loans referred to in Section 370 should be subject to the restrictions contained in Section 372. This clause seeks to amend Section 370 accordingly.

Clause 47.— Some of the Chambers have represented that the reqirements of Section 372 (5) that no investment shall be made by a company unless it is sanctioned by a resolution passed at a meeting of the Board of Directors with the consent of all the Directors present at the meeting should not apply to investment companies. This clause seeks to implement this recommendation.

Clause 48.— Arising out of the findings of the Vivian Bose Commission, the Daphtary-Sastri Committee has recommended that provision should be made for the disclosure of all material facts to a Court such as the financial position, the latest audit report, the pendency of investigation proceedings, etc., before a court accepts a proposal of compromise at the instance of the liquidator. This clause seeks to implement this recommendation.

Clause 49.— This clause is also based on the same findings of the Vivian Bose Commission as the clause above that an opportunity should be given to the Company Law Board or the Registrar to report to the Court about the affairs of the company.

Clause 50.— Based on the recommendation in paragraph 46 of the Commission's Report, the proposed Section 394 A makes it obligatory on the Court to give notice to the Central Government of every application made to it under Section 391 or 394 and to take into consideration the representations made by that Government, before passing any order on the proposed compromise or arrangement or scheme of amalgamation. This would enable the Government to study the proposal and raise such objections thereto as it thinks fit in the light of the facts and information available with it, and also place the Court in possession of certain facts which might not have been disclosed by those who appear before it so that the interests of the investing public at large may be fully taken into account by the Court before passing its order.

Clause 51.— Paragraphs 37 to 43 of the Commission's Report have dealt with the need for checking the malpractices in relation to the 'Take-over' offers and acquisition of shares of dissenting shareholders under a scheme or contract approved by the majority. With a view to preventing such malpractices it is considered necessary to take effective measures, on the lines suggested in the said Report, to ensure that adequate information is disclosed in a take-over offer to the share-holders so that they could be allowed to judge for themselves whether or not to accept the offer. For this purpose it is proposed to amend Section 395 to provide that any such offer or any circular, etc., containing such offer shall be accompanied by such information as may be prescribed by the Central Government and shall contain a statement disclosing the steps taken by or on behalf of the company making the offer, disclosing the steps it has taken to ensure that necessary cash will be available for payment of consideration for the shares to be acquired. It is also provided that no such circular, etc., should be issued until a copy thereof is presented to and registered by the Registrar. The Registrar will also have the power to refuse to register any such circular if it does not contain all the requisite information or if it sets out any information in such a way as to give a false impression. As a further safeguard to the dissenting shareholders, the proposed amendment imposes an obligation on the transferor company to intimate to them the fact of registration of the transferee company as the holder of the shares under transfer and also of the receipt of the amount or other consideration representing the price payable to them by the transferee company.

Clause 52.— This amendment is based on the finding of the Vivian Bose Commission and the recommendations of the Daphtary-Sastri Committee. It is intended to prevent the practice of destroying incriminating accounts and records of the company which has been amalgamated with another company. This clause seeks to provide that permission of Government should be obtained before such records are destroyed.

Clause 53.— This clause proposes to delete Section 410 to 415 in regard to the Advisory Commission and seeks to enact a single clause in lieu thereof constituting an Advisory Committee.

Clauses 54 and 55.— On the basis of the finding of the Vivian Bose Commission and the recommendation made by the Daphtary-Sastri Committee, it is proposed to amend Sections 497 and 509 to provide that a company which has been brought under voluntary liquidation should not be dissolved until the official liquidator has scrutinised the books and papers of the company and made a report to the court that its affairs have not been conducted in a manner prejudicial to the interests of its members or the public interest.

Clause 56.— A new Section 511A is proposed to be inserted in order to ensure that the liquidator in case of voluntary winding up will have adequate information about the affairs of the company on the lines specified in Section 454 in regard to compulsory winding up by court.

Clause 57.—This clause seeks to exempt foreign campanies from the requirement to inform the Registrar of changes of particulars of their Directors and Secretaries. Such information is not really essential from the point of view of Government and may cause unnecessary harassment to the company concerned.

Clause 58.—(*i*) This clause seeks to elaborate Section 635A and indemnify—

(*a*) persons acting in good faith in pursuance of the Act who may not be Government officer; and

(*b*) in respect of publication by or under the authority of Government or such officers of any such report, paper or proceeding.

(*ii*) A new Section 635A is proposed to be inserted so that Government or any person acting in this behalf is not compelled to disclose the sources of information received by it or him. It is intended to ensure that the flow of information is not impeded by the identity of the sources being revealed.

Clause 59.—This clause seeks to empower Government to condone delays in the matter of complying with certain provisions of the Act. This would help companies in cases of genuine hardship.

Clause 60.—A new Section 640B is proposed to be inserted on the lines of the existing Section 412, which is proposed to be deleted along with other Sections regarding the Advisory Commission.

Clause 61.—The existing Schedule IA of the Act provides for list of relatives in 49 items. This list is proposed to be reduced by deleting items 23 to 49 (both inclusive).

Clause 62.—A Schedule has been added to the Bill to provide for minor amendments or amendments of a clarificatory of consequential nature. The majority of these amendments relate to one item, namely, the provision of a uniform time limit of thirty days for the filing of various documents by the company before the Registrar. This uniform time limit is intended to help the companies in complying with the provisions of the Act..

FINANCIAL MEMORANDUM

In para 19 of its Report, the Commission of Inquiry on the administration of Dalmia-Jain Companies has recommended the imposition of restrictions on the period of currency of blank transfers so as to curb the abuse inherent in the system of blank transfers. Clause 13 of the Bill seeks to implement this recommendation by inserting a new Sub-Section in Section 108 of the Companies Act to provide that (a) every instrument of transfer shall be in the prescribed form obtainable from, and bearing the date of issue stamped by the prescribed authority and (b) the said instrument shall be delivered to the company within 6 months from the date of issue in the case of listed shares and within two months from that date in the case of any other shares.

2. For the present Government propose to designate the various Stock Exchanges and Registrars of Companies under the Company Law Board as the prescribed authority for the above purpose. Only expenditure that can be anticipated in this behalf will be on account of printing of the prescribed forms and remuneration payable to the clerical staff engaged by the Stock Exchanges for assisting them in performing the functions of the prescribed authority and other incidental expenses. As far as can be anticipated at present, the expenditure involved is not likely to exceed Rs. 40,000 per annum as indicated below—

Staff consisting of 10 Lower Divn. Clerks	Rs.	24,000
Cost of printing transfer forms, including cost of paper.	Rs.	3,000
Incidental expenses including stationery, furniture etc.	Rs.	13,000
TOTAL	Rs.	40,000

3. The provisions in clause 53 of the Bill for the constitution of an Advisory Committee, in place of the Advisory Commission which has been set up by the Central Government under the existing Section 410 of the Companies Act, will involve expenditure on account of travelling and daily allowance payable to the Members of the Committee when they come to Delhi or any other place to attend meetings. No salary or honorarium will, however, be paid to the members of the Advisory Committee. Recurring expenditure, as far as can be anticipated on account of travelling and daily allowance, is estimated at about Rs. 30,000 per annum as against total annual expenditure of about Rs. 58,000 on the Advisory Commission. The expenditure on the Advisory Committee would, therefore, be much less than that incurred on the Advisory Commission and the provision in clause 53 of the Bill will not thus involve any fresh expenditure from the Consolidated Fund of India.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clauses 13, 15, 21, 23, 24, 51 and 60 of the Bill contain *inter alia* provisions authorising the Central Government to prescribe the following:—

(*a*) the form in which the instrument of transfer in respect of shares is to be drawn up and the authority from whom such form would be obtainable (clause 13);

(*b*) the form in which the declaration that the company has approved of the commencement of any business in relation to the objects specified in clause (*c*) or clause (*d*) of Sub-Section (*1*) of Section 13 is to be filed [clause 15 (a)];

(*c*) the particulars relating to utilisation of material or labour to be included in the books of account kept by a company engaged in production, processing, manufacturing or mining activities [clause 21 (a)];

(*d*) qualifications which a person must possess for conducting the audit of cost accounts of companies and the form in which the report of such audit shall be made (clause 24);

(*e*) the information that must accompany (*i*) every offer of a scheme or contract involving the transfer of shares of one company to another or (*ii*) every circular containing such offer or (*iii*) every recommendation to the members of the transferor company by its directors to accept such offer (clause 51);

(*f*) forms in which applications under Sections 259, 268, 269, 310, 311, 326, 328, 329, 332, 343, 345, 346, 352, 408 and 409 shall be made (clause 60).

The above are matters of administrative detail and it is scarcely possible to provide for them in the Act itself. The rule-making powers contemplated in the aforesaid clauses are of a normal character.

S. L. SHAKDHER,

Secretary.

WD 1873—GBPD—5,450+25—10-2-65

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 30 LCA 65, Bangalore, dated 5th April 1965.

Ordered that The Armed Forces (Special Powers) continuance Bill, 1965 (Central Bill 1 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 17th February 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L. D.

LOK SABHA

The following Bill was introduced in Lok Sabha on the 17th February 1965:—

BILL No. 1 OF 1965

Bill to continue the Armed Forces (Special Powers) Regulation, 1958 for a further period.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. **Short title.**—(1) This Act may be called the Armed Forces (Special Powers), Continuance Act, 1965.

2. **Amendment of section 1 of Regulation 2 of 1958.**—In the Armed Forces (Special Powers) Regulation, 1958, in section 1, in sub-section (4), for the words "seven years", the words "eight years" shall be substituted.

STATEMENT OF OBJECTS AND REASONS

The Armed Forces (Special Powers) Regulation 1958, was promulgated to confer special powers on officers of the Armed Forces to enable them to aid effectively the civil power in the disturbed areas of Kohima and Mokokchung districts of the then Naga Hills-Tuensang Area. Though the duration of the Regulation was initially for one year, it was extended from year to year having regard to the circumstances prevailing in those areas and the current extension is due to expire on the 4th April, 1965. It is proposed to provide for the continuance of the Regulation for a further period of one year as the stage for dispensing with it has not yet been reached.

NEW DELHI; LAKSHMI N. MENON.

The 1st February, 1965.

S. L. SHAKDHER,
Secretary.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 82 LCA 65, Bangalore, dated 6th April 1965.

Ordered that the Insurance (Amendment) Bill, 1965 (Central Bill 7 of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 2nd March 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L. D.

LOK SABHA

The following Bill was introduced in Lok Sabha on the 2nd March, 1965:—

BILL NO. 7 OF 1965

A Bill further to amend the Insurance Act, 1938.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Insurance (Amendment) Act, 1965.

2. **Amendment of section 3.**—In section 3 of the Insurance Act, 1938 (4 of 1938), (hereinafter referred to as the principal Act),—

(i) after sub-section (2), the following sub-sections shall be inserted, namely:—

"(*2A*) If, on receipt of an application for registration and after making such inquiry as he deems fit, the Controller is satisfied that—

(*a*) the financial condition and the general character of management of the applicant are sound;

(*b*) the volume of business likely to be available to, and the capital structure and earning prospects of, the applicant will be adequate;

(*c*) the interests of the general public will be served if the certificate of registration is granted to the applicant in respect of the class or classes of insurance business specified in the application; and

(*d*) the applicant has complied with the provisions of sections 2C, 5, 31A and 32 and has fulfilled all the requirements of this section applicable to him,

the Controller may register the applicant as an insurer and grant him a certificate of registration.

(*2B*) Where the Controller refuses registration, he shall record the reasons for such decision and shall furnish a copy thereof to the applicant.

(*2C*) Any person aggrieved by the decision of the Controller refusing registration may, within thirty days from the date on which a copy of the decision is received by him, appeal to the Central Government.

(*2D*) The decision of the Central Government on such appeal shall be final and shall not be questioned before any court.";

(ii) in sub-section (3), for the words "In the case of any insurer having his principal place of business or domicile outside India", the following shall be substituted, namely :—

> "Notwithstanding anything contained in sub-section (*2A*), in the case of any insurer having his principal place of business or domicile outside India";

(iii) sub-section (*6*) shall be omitted.

3. Amendment of section 110.—In section 110 of the principal Act, in clause (*a*) of sub-section (1), the words "refusing to register, or" shall be omitted.

STATEMENT OF OBJECTS AND REASONS

In terms of sub-section (6) of section 3 of the Insurance Act, 1938, it is mandatory on the part of the Controller of Insurance to grant a certificate of registration to an applicant if the requirements as to registration under the Act complied with. It is not, however, a requirement that the Controller should satisfy himself about the financial condition and the general character of management of the applicant so that the interests of the policy holders are adequately safeguarded. The Government consider that such a requirement is necessary and that the entry of new insurers should be related to the volume of business available so that uneconomic units which may act as a drag on the insurance industry are not allowed to grow. The Bill is intended mainly to give effect to these objects.

NEW DELHI; T. T. KRISHNAMACHARI.
The 19th February, 1965.

S. L. SHAKDHER,
Secretary.

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 83 LCA 65, Bangalore, dated 5th April 1965.

Ordered that the Industries (Development and Regulation) Bill, 1965 (Central Bill IX of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 2nd March 1965 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,

Under Secretary to Government, L. D.

RAJYA SABHA.

This Bill was introduced in the Rajya Sabha on the 2nd March, 1965:—

BILL No. IX OF 1965

A Bill further to amend the Industries (Development and Regulation) Act, 1951.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the industries (Development and Regulation) Amendment Act, 1965.

2. **Amendment of section 18A.**—In section 18A of the Industries (Development and Regulation) Act, 1951 (65 of 1951) for the proviso to sub-section (2). the following proviso shall be substituted, namely :—

"Provided that if the Central Government is of opinion that it is expedient in the public interest that any such notified order should continue to have effect after the expiry of the period of five years aforesaid, it may from time to time issue directions for such continuance for such period, not exceeding two years at a time, as may be specified in the direction, so however that the total period of such continuance (after the expiry of the said period of five years) does not exceed ten years; and where any such direction is issued, a copy thereof shall be laid, as soon as may be before both Houses of Parliament."

STATEMENT OF OBJECTS AND REASONS.

Under section 18A of the Industries (Development and Regulation) Act, 1951, the Central Government is empowered to assume. by a notified order, management or control of an industrial undertaking under certain circumstances. Under sub-section (2) of that section, the notified order may have effect for a maximum period of five years. This period of five year limit may, however be extended under the proviso to that sub-section but such extension may be given only once. No further extension appears to be permissible under the proviso.

2. The working of the Act has revealed that it is extremely difficult to anticipate, at the outset, the period for which the control or management of an industrial undertaking should be assumed. At the same time, such control or management should not be assumed for a period longer than necessary and it would therefore be undesirable to specify initially an unduly long period for the purpose. The Central Government should therefore have power to extend the five year limit by short periods only at a time, in order that it may have an opportunity of reviewing at reasonable intervals the question whether the purpose of the order made under section 18A has been fulfilled.

3. It is therefore proposed that the period of extension under the proviso should not exceed two years at a time and the total period of such extension should in no case exceed ten years. The Bill seeks to achieve this object.

NEW DELHI; T. N. SINGH.

The 15th February, 1965.

B. N. BANERJEE,

Secretary.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 43 LCA 65, Bangalore, dated 10th May 1965.

In pursuance of the adoption of a motion by the Rajya Sabha that the Indian Penal Code (Amendment) Bill, 1963 by Shri Diwan Chaman Lall, M. P., be circulated for the purpose of eliciting opinion thereon by the 31st December 1965, it is hereby ordered that the said Bill be published along with the Statement of Objects and Reasons for General information.

Any person or public body desirous of submitting opinion on the provisions of the Bill, may send the same in quadruplicate to the Secretary to Government, Law Department, Vidhana Soudha, Bangalore-1, before the *15th November, 1965* for being forwarded to the Rajya Sabha Secretariat.

It is requested that opinion, if any, should not be submitted direct to the Rajya Sabha Secretariat or to any Ministry of the Government of India.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L.D.

Bill No IV of 1963

THE INDIAN PENAL CODE (AMENDMENT) BILL, 1963.

By

DIWAN CHAMAN LALL, M. P.

(AS INTRODUCED IN THE RAJYA SABHA)

A

BILL

further to amend the Indian Penal Code.

BE it enacted by Parliament in the Fourteenth Year of the Republic of India as follows :—

1. **Short title.**—This Act may be called the Indian Penal Code (Amendment) Act, 1963.

2. **Insertion of new section 293A.**—After section 293 of the Indian Penal Code, (Act 45 of 1860) the following section shall be inserted, namely :—

"293A. Nothing contained in section 292 or section 293 shall apply to any book, pamphlet, writing, drawing, painting, representation or figure meant for public good or for *bona fide* purposes of science, literature, art or any other branch of learning :

Provided that in the event of any dispute arising as to the nature of the publication, the opinion of experts on the subject may be admitted as evidence."

STATEMENT OF OBJECTS AND REASONS.

Under the present sections 292 and 293 of the Indian Penal Code, there is a danger of publications meant for public good or for *bona fide* purposes of science, literature, art or any other branch of learning being declared as obscene literature as there is no specific provision in the Act for exempting them from the operation of those sections. This Bill seeks to remove that lacuna so as to bring the law into conformity with modern practice in other civilised countries.

DIWAN CHAMAN LALL.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF THE SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 81 LCA 65, Bangalore, dated 5th April 1965.

Ordered that the Income-Tax (Amendment) Bill 1965 (Central Bill 3 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 18th February 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L.D.

LOK SABHA

The following Bill was introduced in Lok Sabha on the 19th February 1965 :—

BILL NO. 3 OF 1965

A Bill further to amend the Income-tax, Act 1961 and to validate certain searches under that Act.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. **Short title.**— This Act may be called the Income-tax (Amendment) Act, 1965.

2. **Substitution of new sections for section 132. Search and seizure**.— For section 132 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the principal Act), the following sections shall be substituted, namely :—

'132. (1) Where the Director of Inspection or the Commissioner, in consequence of information in his possession, has reason to believe that—

(*a*) any person to whom a summons under sub-section (1) of section 37 of the Indian Income-tax Act, 1922 (11 of 1922) or under sub-section (1) of section 131 of this Act, or a notice under sub-section (4) of section 22 of the Indian Income-tax Act, 1922 or under sub-section (1) of section 142 of this Act was issued to produce, or cause to be produced, any books of account or other documents has omitted or failed to produce, or cause to be produced, such books of account, or other documents as required by such summons or notice, or

(*b*) any person to whom a summon or notice as aforesaid has been or might be issued will not, or would not, produce or cause to be produced any books of account or other documents which will be useful for, or relevant to, any proceeding under the Indian Income-tax Act, 1922 (11 of 1922) or under this Act, or

(*c*) any person is in possession of any money, bullion, jewellery or other valuable article or thing and such money, bullion, jewellery or other valuable article or thing represents either wholly or partly income or property which has not been disclosed for the purposes of the Indian Income-tax Act, 1922 (11 of 1922) or this Act (hereinafter in this section referred to as the undisclosed income or property),

he may authorise any Deputy Director of Inspection, Inspecting Assistant Commissioner, Assistant Director of Inspection or Income-tax Officer (hereinafter referred to as the authorised officer) to—

(*i*) enter and search any building or place where he has reason to suspect that such books of account, other documents, money, bullion, jewellery or other valuable article or thing are kept;

(*ii*) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clause (*i*) where the keys thereof are not available;

(*iii*) seize any such books of account, other documents, money, bullion, jewellery, or other valuable article or thing found as a result of such search;

(*iv*) make a note or an inventory of any such money, account or other documents or make or cause to be made extracts or copies therefrom;

(*v*) make a note or an inventory of any such money, bullion, jewellery or other valuable article or thing.

(2) The authorised officer may requisition the services of any police officer or of any officer of the Central Government, or of both, to assist him for all or any of the purposes specified in sub-section (1) and it shall be the duty of every such officer to comply with such requisition.

(3) The authorised officer may, where it is not practicable to seize any such book of account, other document, money, bullion, jewellery or other valuable article or thing, serve an order on the owner or the person who is in immediate possession or control thereof that he shall not remove, part with or otherwise deal with it except with the previous permission of such officer and such officer may take such steps as may be necessary for ensuring compliance with this sub-section.

(4) The authorised officer may, during the course of the search or seizure, examine on oath any person who is found to be in possession or control of any books of account, documents, money, bullion, jewellery or other valuable article or thing and any statement made by such person during such examination may thereafter be used in evidence in any proceeding under the Indian Income-tax Act, 1922 (11 of 1922) or under this Act.

(5) Where any money, bullion, jewellery or other valuable article or thing (hereinafter in this section and section 1 2A referred to as the assets) is seized under sub-section (1), the Income-tax Officer, after affording a reasonable opportunity to the person concerned for being heard and making such enquiry as may be prescribed, shall, within ninety days of the seizure, make an order, with the previous approval of the Commissioner,—

(i) estimating the undisclosed income (including the income from the undisclosed property) in a summary manner to the best of his judgment on the basis of such materials as are available with him;

(*ii*) calculating the amount of tax on the income so estimated in accordance with the provisions of the Indian Income-tax Act, 1922 (11 of 1922) or this Act;

(*iii*) specifying the amount that will be required to satisfy any existing liability under this Act and any one or more of the Acts specified in clause (*a*) of sub section (1) of section 230A in respect of which such person is in default or is deemed to be in default,

and retain in his custody such assets or part thereof as are in his opinion sufficient to satisfy the aggregate of the amounts referred to in clauses (*ii*) and (*iii*) and forthwith release the remaining portion, if any, of the assets to the person from whose custody they were seized:

Provided that if, after taking into accounts the materials available with him, the Income-tax Officer is of the view that it is not possible to ascertain to which particular previous year or years such income or any part relates, he may calculate the tax on such income or part, as the case may be, as if such income or part thereof were the total income chargeable to tax at the rates in force in the financial year in which the assets were seized.

Provided further that where a person has paid or made satisfactory arrangements for payment of all the amounts referred to in clauses (*ii*) and (*iii*) or any part thereof, the Income-tax Officer may, with the previous approval of the Commissioner, release the assets or such part thereof as he may deem fit in the circumstances of the case.

(6) The assets retained under sub-section (5) may be dealt with in accordance with the provisions of section 132A.

(7) If the Income-tax Officer is satisfied that the seized assets or any part thereof were held by such person for or on behalf of any other person, the Income-tax Officer may proceed under sub-section (5) against such other person and all the provisions of this section shall apply accordingly.

(8) The books of account or other documents seized under sub-section (*1*) shall not be retained by the authorised officer for a period exceeding one hundred and eighty days from the date of the seizure unless the reasons for retaining the same are recorded by him in writing and the approval of the Commissioner for such retention is obtained :

Provided that the Commissioner shall not authorise the retention of the books of account and other documents for a period exceeding thirty days after all the proceedings under the Indian Income-tax Act, 1922 (11 of 1922) or this Act in respect of the years for which the books of account or other documents are relevant are completed.

(9) The person from whose custody any books of account or other documents are seized under sub-section (1) may make copies thereof, or take extracts therefrom, in the presence of the authorised officer or any other person empowered by him in this behalf, at such place and time as the authorised officer may appoint in this behalf.

(10) If a person legally entitled to the books of account or other documents seized under sub-section (1) objects for any reason to the approval given by the Commissioner under sub-section (8), he may make an application to the Board stating therein the reasons for such objection and requesting for the return of the books of account or other documents.

(11) If any person objects for any reason to an order made under sub-section (5), he may, within thirty days of the date of such order, make an application to such authority as may be notified in this behalf by the Central Government in the Official Gazette (hereinafter in this section referred to as the notified authority), stating therein the reasons for such objection and requesting for appropriate relief in the matter.

(12) On receipt of the application under sub-section (10) the Board, or on receipt of the application under sub-section (11) the notified authority, may, after giving the applicant an opportunity of being heard, pass such orders as it thinks fit.

(13) The provisions of the Code of Criminal Procedure, 1898 (5 of 1898) relating to searches and seizure shall apply, so far as may be, to searches and seizure under sub-section (1).

(14) The Board may make rules in relation to any search or seizure under this section in particular, and without prejudice to the generality of the foregoing power, such rules may provide for the procedure to be followed by the authorised officer—

(*i*) for obtaining ingress into such building or place to be searched where free ingress thereto is not available;

(*ii*) for ensuring safe custody of any books of account or other documents or assets seized.

Explanation 1.—In computing the period of ninety days for the purposes of sub-section (5), any period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded.

Explanation 2.—In this section, the word "proceeding" means any proceeding in respect of any year, whether under the Indian Income-tax Act, 1922 (11 of 1922) or this Act, which may be pending on the date on which a search is authorised under this section or which may have been completed on or before such date and includes also all proceedings under this Act which may be commenced after such date in respect of any year.

132A. Application of retained assets.—(1) The assets retained under sub-section (5) of section 132 may be dealt with in the following manner, namely.—

(*i*) The amount of the existing liability referred to in clause (*iii*) of the said sub-section and the amount of the liability determined on completion of the regular assessment or reassessment for all the assessment years relevant to the previous years to which the income referred to in clause (*i*) of that sub-section relates, and in respect of which he is in default or is deemed to be in default may be recovered out of such assets.

(*ii*) If the assets consist solely of money, or partly of money and partly of other assets, the Income-tax Officer may apply such money in the discharge of the liabilities referred to in clause (*i*) and the assessee shall be discharged of such liability to the extent of the money so applied.

(*iii*) The assets other than money may also be applied for the discharge of any such liability referred to in clause (*i*) as remains undischarged and for this purpose such assets shall be deemed to be under distraint as if such distraint was effected by the Income-tax Officer under authorisation from the Commissioner under sub-section (5) of section 226 and the Income-tax Officer may recover the amount of such liabilities by the sale of such assets and such sale shall be effected in the manner laid down in the Third Schedule.

(2) Nothing contained in sub-section (1) shall preclude the recovery of the amount of liabilities aforesaid by any other mode laid down in this Act.

(3) Any assets or proceeds thereof which remain after the liabilities referred to in clause (i) of sub-section (1) are discharged shall be forthwith made over or paid to the persons from whose custody the assets were seized.

(4) (a) *The Central Government shall pay simple interest at the rate of five per cent. per annum on the amount by which the aggregate of money retained under section* 132 *and of the proceeds, if any, of the assets sold towards the discharge of the existing liability referred to in clause* (iii) *of sub-section* (5) *of that section exceeds the aggregate of the amounts required to meet the liabilities referred to in clause* (i) *of sub-section* (1) *of this section.*

(b) *Such interest shall run from the date immediately following the expiry of the period of six months from the date of the order under sub-section* (5) *of section* 132 *to the date of the regular assessment or reassessment referred to in clause* (i) *of sub-section* (1) *or, as the case may be, to the date of last of such assessments or reassessments*'.

3. **Amendment of section 271.**—In section 271 of the principal Act, after sub-section (4), the following sub-sections shall be inserted, namely:—

"(4A) Notwithstanding anything contained in clause (*iii*) of sub-section (1), the Commissioner may, in his discretion, reduce or waive the amount of minimum penalty imposable on a person under the said clause if he is satisfied that such person—

(a) has, prior to the detection by the Income-tax Officer, of the concealment of particulars of income in respect of which the penalty is imposable, or of the inaccuracy of particulars furnished in respect of such income, voluntarily and in good faith, made full and true disclosure of such particulars;

(*b*) has co-operated in any enquiry relating to the assessment of such income; and

(*c*) has either paid or made satisfactory arrangements for payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year:

Provided that if in a case the minimum penalty imposable under clause (*iii*) of sub-section (1) in respect of the relevant assessment year, or where such disclosure relates to more than one assessment year, the aggregate of the minimum penalty imposable in respect of those years, exceeds a sum of rupees fifty thousand, no order reducing or waiving the penalty shall be made by the Commissioner unless the previous approval of the Board has been obtained.

(4B) An order under sub-section (4A) shall be final and shall not be called in question before any court of law or any other authority.".

4. **Insertion of new section 275A.**—In Chapter XXII of the principal Act, before section 276, the following section shall be inserted, namely:—

Contravention of order made under sub-section (3) of section 132.—"275A. Whoever contravenes any order referred to in sub-section (3) of section 132 shall be punishable with rigorous imprisonment which may extend to two years and shall also be liable to fine.".

5. **Amendment of section 279.**—In section 279 of the principal Act,—

(*i*) in sub-section (1), after the words "offence under", the words, figures and letter "section 275A or" shall be inserted;

(*ii*) after sub-section (1), the following sub-section shall be inserted, namely:—

> "(1*A*) A person shall not be proceeded against for an offence under section 277 in relation to the assessment for an assessment year in respect of which the penalty imposable upon him under clause (*iii*) of sub-section (1) of section 271 has been reduced or waived by an order under sub-section (4*A*) of that section.";

(*iii*) after sub-section (2), the following sub-section shall be inserted, namely .—

> "(3) Where any proceeding has been taken against any person under sub section (1), any statement made or account or other document produced by such person before any of the Income-tax authorities specified in clauses (*a*), (*b*), (*c*), (*d*) and (*e*) of section 116 shall not be inadmissible as evidence for the purpose of such proceedings merely on the ground that such statement was made or such account or other document was produced in the belief that the penalty imposable would be reduced or waived under sub-section (4A) of section 271 or that the offence in respect of which such proceeding was taken would be compounded.".

6. Validation of certain searches made.—Any search of a building or place by an Inspecting Assistant Commissioner or Income-tax Officer purported to have been made in pursuance of sub-section (1) of section 132 of the principal Act before the commencement of this Act shall be deemed to have been made in accordance with the provisions of that sub section as amended by this Act as if those provisions were in force on the day the search was made and shall not be called in question before any court of law or any other authority merely on the ground—

(*i*) that the Inspecting Assistant Commissioner or the Income-tax Officer made such search with the assistance of any other person; or (*ii*) that no proceeding under the Indian Income-tax Act, 1922 (11 of 1922) or the principal Act was pending against the person concerned when the search was authorised under the said sub-section.

7. **Repeal and Saving.**—(1) The Income-tax (Amendment) Ordinance, 1965 (1 of 1965) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act as if this Act had commenced on the 6th day of January, 1965.

STATEMENT OF OBJECTS AND REASONS

The main object of the Bill is to replace the Income-tax (Amendment) Ordinance, 1965 (1 of 1965). The Ordinance was promulgated on the 6th January, 1965 and contains provisions which were found to be immediately necessary, relating to searches and seizures, voluntary disclosures and validation of certain searches made under section 132 of the Income-tax Act, 1961. Opportunity has also been taken to include in the Bill certain other amendments which are incidental or supplemental to the above matters.

The more important provisions of the Bill are as follows:—

The powers of search and seizure are being enlarged, enabling seizure of any money, bullion jewellery or other valuable article or thing which represents either wholly or partly undisclosed income or property. The Income-tax Officer is being empowered to retain such of the assets seized as he may consider necessary to satisfy the liability estimated by him in respect of the undisclosed income and also any existing liability under the Direct Taxes Acts in respect of which the person concerned is in default or is deemed to be in default. The balance, if any, will be returned forthwith. The retained assets will be applied for the discharge of such existing liabilities and of the liability determined on regular assessment relating to the undisclosed income, in respect of which the assessee is in default or is deemed to be in default. It is also clarified that proceedings in the course of which search warrants can be issued include future proceedings also.

Further, the Commissioner is being empowered to reduce or waive the amount of minimum penalty imposable in the case of valuntary disclosure A person in whose case the penalty is so waived or reduced will not be prosecuted in relation to the relevant assessments.

The notes on clauses explain the various provisions of the Bill.

NEW DELHI;

The 13th February, 1965. T. T. KRISHNAMACHARI.

Notes on Clauses.

Clause 2 of the Bill substitutes a new section for the existing section 132 and also adds a new section 132A.

The new section 132 includes certain provisions in addition to the existing ones.

The new sub-section (1) provides another circumstance, in addition to the existing ones, in which search or seizure may be authorised, *viz*, where any money, bullion, jewellery or other valuable article or thing which represents either wholly or partly undisclosed income or property is believed to exist. The power conferred on the Commissioner under sub-section (1) is also being conferred on the Director of Inspection and further the authorisation by the Director of Inspection or the Commissioner can also be to a Deputy Director of Inspection or an Assistant Director of Inspection. For the purpose of search and seizure the authorised officer may break open the lock of any door or locker, safe, almirah or any other receptacle where the keys thereof are not available.

The new sub-section (2) empowers, for the purposes of search and seizure, the authorised officer to requisition the services of any police officer or of any officer of the Central Government, or of both, to assist him.

Where it is not practicable to seize any asset found during the search, the new sub-section (3) empowers the authorised officer to serve an order on the person concerned not to remove or part with or otherwise deal with it except with his previous permission.

According to the new sub-section (4), during the course of search and seizure, the authorised officer may examine on oath any person who is found to be in possession of books of account or documents and assets like money, bullion and jewellery. This provision is intended to enable the Income-tax Officer to ascertain the true facts before an assessee can make up an explanation as a result of afterthought. The statement made during such examination may thereafter be used in evidence in any proceedings under the Indian Income-tax Act, 1922 or the Income-tax Act, 1961.

The new sub section (5) provides that where any asset is seized, then within 90 days of such seizure and with the previous approval of the Commissioner, the Income-tax Officer shall pass an order estimating in a summary manner the undisclosed income (including the income from the undisclosed property), calculating the amount of tax on the same in accordance with the provisions of the law and specifying the amount that will be required to satisfy any existing liability under the direct taxes enactments in respect of which the person is in default or is deemed to be in default. In computing the period of 90 days, any period during which any proceeding in this regard is stayed by an order or injunction of any court, shall be excluded (*vide* Explanation 1 to the new section 132). Before making such an order the Income-tax Officer has to afford a reasonable opportunity to the person concerned for being heard and make such enquiry as may be prescribed. The Income-tax Officer shall retain such assets or part thereof which are, in his opinion, sufficient to satisfy the aggregate of the amount of liability determined in respect of the undisclosed income and the existing liabilities in respect of which the assessee is in default or is deemed to be in default. The remaining portion of the assets, if any, shall be forthwith released to the person from whose custody they were seized.

The aforesaid sub-section (5) furthur provides that if, after considering the materials available with him, the Income-tax Officer is of the opinion that it is not possible to ascertain which particular previous year or years such undisclosed income or any part of such income relates to, he may calculate the tax on the same as if it were the total income chargeable to tax at the rates in force in the financial year in which the assets were seized.

Where, however, a person has paid or made satisfactory arrangements for payment of the amount of liability relating to the undisclosed income estimated by the Income-tax Officer and the existing liabilities aforesaid, Income-tax

Officer may release such assets as he may deem fit. For this purpose, the Income-tax Officer has to obtain the previous approval of the Commissioner.

The new sub-section (6) provides that the assets retained under the provisions of sub-section (5) shall be applied in accordance with the provisions of the new section 132A.

The new sub-section (7) is self-explanatory.

The existing sub-sections (2), (3) and (4) have been re-numbered (8), (9) and (10) respectively with certain verbal changes consequential to the provisions of the new sub-section (1).

The new sub-section (11) gives a right to the person objecting to an order made under sub-section (5) to make an application to such authority as may be notified in this behalf by the Central Government. Such an application has to be made within thirty days of the order applied against.

The existing sub-section (5) has been re-numbered (12) with consequential changes made due to the insertion of the new sub-section (11).

The existing sub-section (6) has been re-numbered (13) with certain verbal changes.

The existing sub-section (7) has been re-numbered (14) and been further amended to clarify that the rules made by the Board in relation to any search or seizure may, *inter alia*, include the procedure for obtaining ingress into the building or place to be searched where free ingress thereto is not available and for ensuring safe custody of any books of account or other documents or assets seized.

The Explanation 2 to the new section 132 clarifies that the word "proceeding" means any "proceeding" in respect of any year, whether under the Indian Income-tax Act, 1922 or the Income-tax Act, 1961, which may be either pending or may have been completed on or before the date of search or seizure and includes also all proceedings under the Income-tax Act, 1961 which may be commenced after such date in respect of any year.

The new section 132A makes provision relating to the application of assets retained under section 132. These assets may be applied to the discharge of the existing liabilities in respect of which the assessee is in default or is deemed to be in default as well as the liability in respect of the regular assessment or reassessmant for the assessment years relevant to the previous years to which the income relates and in respect of which the assessee is in default or is deemed to be in default. If money has been seized and retained such money may be applied for the purpose of discharge of both the above liabilities. If the money seized is not sufficient for the discharge of the above liabilities, the assets other than money which have been retained shall be deemed to be under distraint as if such distraint was effected by the Income-tax Officer under section 226 (5). The Income-tax Officer can sell such assets as he may find it necessary for the purpose of recovery of the aforesaid liabilities. The sale shall be effected in the manner laid down in the Third Schedule.

If any assets or proceeds thereof remain after the aforesaid liabilities have been discharged, they will be forthwith paid or made over to the person from whose custody they were seized.

The mode of recovery prescribed by section 132A shall not preclude the recovery of the amount of the liability by any other mode laid down in the Act.

Sub-section (4) of the new sub-section 132A provides for interest to be paid by the Central Government as compensation for retention of money seized and proceeds of assets sold in excess of the total tax liabilities against which they are applied. Where the aggregate of the amount retained under section 132 and the proceeds, if any, of the assets sold for the purpose of recovery of the existing liabilities referred to in that section exceed the aggregate of the existing liabilities in default and the liability determined on regular assessment, the Central Government shall pay simple interest at the rate of 5 per cent per annum on the amount of such excess. The interest shall run from the date immediately following the end of six months from the date of the order under section 132 (5) to the date of regular assessment or reassessment relating to the undisclosed income, or, as the case may be, to the date of the last of such assessments or reassessments. No interest will be payable in relation to assets, other than money, which are not sold by the Income-tax Officer.

With a view to encourage voluntary disclosures of undisclosed income, *clause* 3 inserts a new sub-section (4A) in section 271 which empowers the Commissioner, in his discretion, to reduce or waive the amount of minimum penalty imposable under section 271 (1) (*iii*) in the case of a person who has voluntarily and in good faith made full and true disclosure of his concealed income, before detection of the same by the Income-tax Officer and, in addition, has co-operated in any enquiry relating to the assessment of the concealed income and has either paid or made satisfactory arrangements for payment of any tax or interest which may become payable in respect of the income concealed. Where the amount of minimum penalty imposable under section 271 (1) (*iii*) in respect of all assessment years involved exceeds Rs. 50,000, the previous approval of the Board has to be obtained by the Commissioner.

In order to ensure that an order under sub-section (3) of section 132 may not be contravened, *Clause* 4 inserts a a new section 275A which provides for punishment for contravention of such order.

Clause 5 amends sub-section (1) and inserts two new sub-sections, namely, (1A) and (3) in section 279.

The amendment to sub-section (1) is consequential to the insertion of new section 275A.

Sub-section (1A) provides that a person in whose case the penalty imposable under section 271 (1) (*iii*) has been reduced or waived by the Commissioner under sub-section (4A) of that section, shall not be liable to be prosecuted under section 277 in relation to the assessment for the assesment year in respect of which the penalty imposable has been reduced or waived.

Sub-section (3) provides that where any prosecution has been started against any person, any statement made or account or other document produced by him before any of the Income-tax authorities of the rank of Income-tax Officer and above shall not be inadmissible as evidence for the purpose of the prosecution merely on the ground that such statement was made or such account or other document was produced in the belief that the penalty imposable would be reduced or waived under sub-section 271 (4A) or that the particular offence would be compounded.

Clause 6 validates certain searches purported to have been made in pursuance of section 132 (1).

The clause is self-explanatory.

FINANCIAL MEMORANDUM

Sub-section (4) of the new section 132A inserted by clause 2 of the Bill provides for interest to be paid by the Central Government in certain circumstances. The exact amount of interest so payable cannot be foreseen at the present, but it is expected that it would be of the order of Rs. 25,000.

The provisions of section 132 relating to seizure are also expected to involve some additional expenditure such as expenditure on arrangements for safe custody of assets seized. The amount of such expenditure cannot be foreseen at present with any degree of precision. It is expected, however, that such expenditure will be of the order of Rs. 1,00,000.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 2 of the Bill would enable the Board to frame rules regarding the enquiry to be made for purposes of section 132 (5). The clause also clarifies that the rules to be made by the Board in relation to any search or seizure made under section 132 (1) include rules to provide the procedure to be followed in a search or seizure for obtaining ingress into a building or place where ingress thereto is not available, and for ensuring safe custody of any books of account, other documents or assets seized.

The matters in respect of which rules will be made are matters of procedure or detail.

The delegation of legislative powers is, therefore, of a normal character.

S. L. SHAKDHER,
Secretary.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 18 LCA 65, dated Bangalore, the 18th June 1965.

Ordered that the Representation of the People (Amendment) Bill 1965 (Central Bill No. 28 of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 29th April 1965 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore.

H. K. ANANTHASUBBA RAO,
10 *Under Secy. to Govt., L. D.*

LOK SABHA

The following Bill was introduced in Lok Sabha on the 29th April 1965:—

BILL NO. 28 OF 1965

Bill further to amend the Representation of the People Act, 1950.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Representation of the People (Amendment) Act, 1965.

2. Amendment of Fourth Schedule to Act 43 of 1950.— In the Fourth Schedule to the Representation of the People Act, 1950,—

(*a*) under the heading "ANDHRA PRADESH", the entry "4 City and Town Committees." shall be omitted;

(*b*) under the heading "MYSORE", after the entry "4. Notified Area Committees.", the entry "5. Town Panchayats." shall be inserted;

(*c*) under the heading "WEST BENGAL",—

(*i*) for the entry "2. District Boards.", the entry "2. Zilla Parishads." shall be substituted,

(*ii*) for the entry "4. Local Boards.", the following entries shall be substituted, namely:—

"4. Anchalik Parishads.
5. Town Committees.".

STATEMENT OF OBJECTS AND REASONS

The local authorities specified in the Fourth Schedule to the Representation of the People Act, 1950, in pursuance of article 171 (3) of the Constitution read with section 27 (2) of the abovementioned Act form the basis of the electorate of local authorities' constituencies of the State Legislative Councils. Unless the lists of these local authorities are kept up-to-date, there are difficulties in the holding of bye-elections from the local authorities' constituencies. With the inauguration in the States, of Panchayat Raj, the list of local authorities appearing in the Fourth Schedule to the Representation of the People Act, 1950 requires modification. The States of Andhra Pradesh, Mysore and West Bengal have suggested the following changes in the list of local authorities:—

(1) *Andhra Pradesh.*—Entry No. 4, "City and Town Committees", may be deleted.

(2) *Mysore.*—"Town Panchayats" may be added to the existing entries.

(3) *West Bengal.*—"District Boards" and "Local Boards" may be substituted by "Zilla Parishads" and "Anchalik Parishads". Also, "Town Committees" may be added to the list.

Any change in the lists of these local authorities can only be effected by Parliament by law. Accordingly the Bill seeks to make the necessary changes in the lists of local authorities in the Fourth Schedule to give effect to the above proposals of the State Governments.

NEW DELHI; A. K. SEN.

The 20th April, 1965

S. L. SHAKDHER,
Secretary.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'bsr

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 46 LCA 65, Bangalore, dated 28th May, 1965.

Ordered that the Antiquities (Export Control) Amendment Bill, 1965 (Central Bill No. 24 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 7th April 1965 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secretary to Government, L. D.

LOK SABHA.

The following Bill was introduced in Lok Sabha on the 7th April, 1965:—

BILL No. 24 OF 1965

A Bill further to amend the Antiquities (Export Control) Act, 1947.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) **Short title and commencement.**—This Act may be called the Antiquities (Export Control) Amendment Act, 1965.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Amendment of section 2.—In section 2 of the Antiquities (Export Control) Act, 1947 (31 of 1947) (hereinafter referred to as the principal Act),—

(*a*) for clause (*a*), the following clause shall be substituted, namely :—

'(*a*) "antiquity" includes—

(1) (*i*) any coin, sculpture, epigraph or other work of art or craftsmanship,

(*ii*) any article, object or thing detached from a building or cave,

(*iii*) any article, object or thing illustrative of science, art, crafts, literature, religion, customs, morals or politics in bygone ages,

(*iv*) any article, object or thing of historical interest,

(*v*) any article, object or thing declared by the Central Government, by notification in the Official Gazette, to be an antiquity for the purposes of this Act,

which has been in existence for not less than one hundred years ; and

(*II*) any manuscript, record or other document which is of scientific, historical, literary or aesthetic value which has been in existence for not less than seventy-five years ; ' ;

(*b*) after clause (*a*), the following clause shall be inserted, namely :—

'(*aa*) "Board" means the Board constituted under section 3B,';

( ) after clause (*b*), the following clauses shall be inserted, namely :—

'(*c*) "Licensing Committee" means an Antiquities Licensing Committee constituted under section 3A;

(*d*) "prescribed" means prescribed by rules made under this Act.'

3. Substitution of new sections for section 3.— For section 3 of the principal Act, the following sections shall be substituted, namely:—

"**3. Prohibition of export without licence.**—No person shall export any antiquity except under and in accordance with a licence granted under this Act.

3A. (*1*) **Antiquities Licensing Committees**—*The Central Government may, by notification in the Official Gazette, constitute at such places as it may deem necessary, an Antiquities Licensing Committee consisting of two or more persons who, in its opinion, have special knowledge in matters relating to antiquities.*

(2) The number and the term of office of, the manner of filling casual vacancies among, the procedure to be followed in the discharge of their functions by, the salaries and allowances payable to and other matters connected with, the members of a Licensing Committee shall be such as may be prescribed.

3B. Antiquities Appellate Board.—(1) *For the purpose of hearing appeals from the orders of Licensing Committees the Central Government may, by notification in the Official Gazette, constitute a Board to be called the Antiquities Appellate Board.*

(2) The Board shall consist of the following members, namely :—

(*a*) such number of members not exceeding five, as the Central Government may think fit to appoint to the Board to represent—

(*i*) the National Museum;
(*ii*) the Archæological Survey of India;
(*iii*) the National Archives of India; and
(*iv*) such other interests as, in the opinion of the Central Government, ought to be represented on the Board;

(*b*) not more than two members co-opted in such manner as may be prescribed by the members appointed under clause (*a*).

(3) The Central Government shall nominate one of the members appointed under clause (*a*) of sub-section (2) to be the Chairman of the Board.

(4) The term of office of, the manner of filling casual vacancies among, the procedure to be followed in the discharge of their functions by, the salaries and allowances payable to and other matters connected with, the members of the Board shall be such as may be prescribed.

3C. Grant of licences etc.—(1) Any person desiring to export any antiquity may apply in such form and together with such fees as may be prescribed to a Licensing Committee for the grant of a licence.

(2) On receipt of an application under sub-section (1), the Licensing Committee may, after conducting an inquiry in such manner as may be prescribed—

(*a*) grant a licence, subject to such conditions (including a condition for the delivery by the applicant, at his own expense, to the Central Government, a replica, copy or other reproduction of such size and nature as may be specified, of the antiquity) as it may deem fit; or

(*b*) refuse, for reasons to be recorded in writing, to grant a licence.

(3) The Licensing Committee shall not impose any condition for the delivery of any replica, copy or other reproduction under clause (*a*) of sub-section (2) unless it is satisfied that it is necessary for purposes of record and reference to keep such replica, copy or other reproduction.

3D. Power to determine whether or not an article is an antiquity.—(1) Any person who is in doubt as to whether any article, object or thing which he intends to export, or which is intended or about to be exported is or is not an antiquity for the purposes of this Act, may refer the question, in such manner as may be prescribed, to a Licensing Committee for a decision.

(2) The Licensing Committee shall, after conducting an inquiry in such manner as may be prescribed, decide for reasons to be recorded in writing whether the article, object or thing in respect of which a reference has been made to it under sub-section (1) is or is not an antiquity for the purposes of this Act.

3E. **Appeals.**—(1) Any person aggrieved by a condition imposed under clause *(a)* of sub-section (2) of section 3C or by an order made under clause *(b)* of that sub-section or by a decision given under section 3D may prefer an appeal in such manner and within such time as may be prescribed to the Board.

(2) On receipt of an appeal under sub-section (1), the Board may, after giving an opportunity to the appellant to be heard and after making such inquiry as may be necessary, pass such order as it thinks fit and the order of the Board shall be final.".

4. **Substitution of new section for section 4.**—For section 4 of the principal Act, the following section shall be substituted, namely :—

"4. **Application of Act 52 of 1962.**—The Customs Act, 1962 shall have effect in relation to all antiquities the export of which is prohibited under section 3, save in so far as that Act is inconsistent with the provisions of this Act and, except that, the provisions of section 125 of that Act notwithstanding, any confiscation authorised under that Act shall be made, unless the Central Government, on an application to it in that behalf, otherwise directs.".

5. **Amendment of section 5.**—In section 5 of the principal Act, in sub-section (1), for the words and figures "Sea Customs Act, 1878; (8 of 1878) as applied by section 4", the words and figures "Customs Act, 1962 (52 of 1962)" shall be substituted.

6. Substitution of new section for section 6.—For section 6 of the principal Act, the following section shall be substituted, namely:—

'**Offences by companies.** 6. (1) If the person committing an offence under this Act is a company, every person who, at the time the offence was committed was incharge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to such punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any negligence on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary, or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) "company" means a body corporate and includes a firm or other association of individuals; and

(b) "director", in relation to a firm, means a partner in the firm.'.

7. **Amendment of section 7.**—In section 7 of the principal Act, for sub-section (2), the following sub-sections shall be substituted, namely:—

"(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the number and the term of office of, the manner of filling casual vacancies among, the procedure to be followed in the discharge of their functions by, the salaries and allowances payable to and other matters connected with, the members of Licensing Committees;

(b) the term of office of, the manner of filling casual vacancies among, the procedure to be followed in the discharge of their functions by, the salaries and allowances payable to and other matters connected with, the members of the Board ;

(c) the form of application for the grant of a licence under section 3C, the fees payable and the manner in which an inquiry may be made in respect of such applications ;

(d) the manner in which any question may be referred under section 3D ;

(e) the form and manner and the time within which appeals may be preferred under section 3E and the manner in which an inquiry may be made in respect of such appeals ; and

(f) any other matter which is to be, may be, or is required to be, prescribed under this Act.

(3) Every rule made under this Act, shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both

Houses agree in making any modification in the rule or both Houses agree that the rule should not be made the rule shall thereafter have effect only in such modified form or be of no effect as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.".

3. Insertion of new section 7A.—After section 7 of the principal Act, the following section shall be inserted, namely :—

"**7A. Power to make copies or reproductions of replicas, etc., delivered to Central Government.**—The Central Government may, for purposes of record and reference, make or take photographic or other copies or reproductions of replicas, copies or other reproductions delivered to it under this Act".

STATEMENT OF OBJECTS AND REASONS.

The Antiquities (Export Control) Act, 1947 was intended to provide for control of the export of valuable objects of antiquarian or historical interest. Experience of the working of the Act has shown that it is necessary to amend the Act in certain respects.

2. Under the Act, the power to grant licences for export of antiquities is vested in the Central Government and the Director General of Archaeology is authorised to decide whether an article intended for export is an antiquity or not for the purposes of the Act. In the circumstances, all applications for export of antiquities have to be referred to the Director General of Archaeology. This creates difficulties for the intending exporters and the customs authorities, besides consuming a great deal of time. It is, therefore, proposed to constitute Licensing Committees, at such places as it may be deemed necessary, for the purpose of determining whether an ariticle is an antiquity or not and also for granting licences for the export of antiquities. It is also proposed to provide for an appellate authority to hear appeals from the orders of such Licensing Committees.

3. It is necessary to preserve in the country copies, replicas or other reproductions of important antiquities allowed to be exported. It is proposed to make suitable provisions for this purpose.

4. A Committee on archival legislation set up by the Ministry of Education recommended that it would be desirable to bring expressly within the purview of the Act records and documents, etc. It is now proposed to bring records and documents of historical, literary or aesthetic value which have been in existence for not less than seventy-five years within the purview of the Act.

5. The Bill seeks to achieve the above objects.

NEW DELHI;
The 24th February, 1965.

M. C. CHAGLA.

FINANCIAL MEMORANDUM.

Proposed section 3A (*vide* clause 3) provides for the constitution of Antiquities Licensing Committees at such places as the Central Government may deem necessary. Proposed section 3B (*vide* clause 3) provides for the constitution of Appellate Board for the purpose of hearing appeals from the orders of Licensing Committees, Ordinarily, the existing Government officers will be appointed as members of the said Committees and the said Board. However, the possibility of non-officials being appointed thereto cannot be ruled out. Thus, some expenditure may be involved from the Consolidated Fund of India. While it is not possible to give any exact indication of such expenditure at this stage, it is considered that such expenditure may come to about Rs. 25,000 per annum.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA.

[Copy of letter No. F. 4-11/63-C.3/I, dated the 24th February, 1965, from Shri M. C. Chagla, Minister of Education to the Secretary, Lok Sabha].

The President having been informed of the subject matter of the Bill further to amend the Antiquities (Export Control) Act, 1947, recommends under article 117 (3) of the Constitution the consideration of the Bill in the Lok Sabha.

MEMORANDUM REGARDING DELEGATED LEGISLATION.

Clause 7 of the Bill amends section 7 of the Act to empower the Central Government to make rules in relation to certain additional matters. The additional matters relate *inter alia* to the number and term of office of the members of Antiquities Licensing Committees and of the Antiquities Appellate Board, the procedure to be followed by, the manner of filling casual vacancies among, the salaries and allowances payable to such members and the manner in which inquiries may be made in respect of applications for grant of licences and in respect of appeals preferred from orders of Licensing Committees. These matters pertain to procedure, form or detail and, as such, the delegation of legislative power is of a normal character.

S. L. SHAKDHER,
Secretary.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section 1-C

GENERAL STATUTORY RULES AND STATUTORY ORDERS ISSUED BY THE CENTRAL GOVERNMENT AND ORDERS MADE BY THE PRESIDENT AND REPUBLISHED BY THE STATE GOVERNMENT.

NOTIFICATION.

(HOME DEPARTMENT.)

No. HD 19 SIC 65, dated Bangalore, the 25th June 1965.

Ordered that the Order No. 4/14/65-Poll. II, dated 29th May 1965, of the Government of India, Ministry of Home Affairs, New Delhi, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

G. S TELANG,

88 *Under Secretary to Govt., H. D.*

No. 4/14/65-Poll-II

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

New Delhi, 11 the 29th May 1965.

ORDER.

WHEREAS in the opinion of the Central Government the periodical entitled "Azad Kashmir News" edited by Mohammad Iqbal and Ahmed Shamim, published by G. A. Pandit from 133, Dalhousie Road, Rawalpindi and printed at the Frontier Exchange Press, Rawalpindi, contains prejudicial reports as defined in clause (7) of the rule 35 of the Defence of India Rules, 1962;

NOW THEREFORE, in exercise of the powers conferred by rule 45 of the Defence of India Rules, 1962, the Central Government hereby—

(a) declares that the issues of the said periodical published from 1st December, 1964 up to the date of this order and every copy or translation thereof or extract therefrom are forfeited to Government;

(b) directs every person possessing any copy of the said issues to deliver the same to local police authorities; and

(c) prohibits the sale or distribution of the said or similar periodical or any extract therefrom or of any translation thereof.

G. S. KAPOOR,
Under Secy. to the Govt. of India.

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 107 LCR 65, Bangalore, dated the 22nd June 1965.

Ordered that the accompanying Notification No. S.O. 834, dated the 3rd Mach 1965, *re*: appointing 1st April 1965 as the date on which the Indian Trade Unions (Amendment) Act, 1964 shall come into force, which has been published in the *Gazette of India*, Part II, Section 3, sub-section (ii), dated the 13th March 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L. D.

76

GOVERNMENT OF INDIA.

THE INDIAN TRADE UNIONS (AMENDMENT) ACT., 1964

New Delhi, the 3rd March 1965.

S. O. 834.—In exercise of the powers conferred by sub-section (2) of Section 1 of the Indian Trade Unions (Amendment) Act, 1964 (38 of 1964), the Central Government hereby appoints the *1st day of April, 1965* as the date on which the said Act shall come into force.

[No. F. 16/8/64-LRI,]

Sd. RAJA KISHORE PRASAD, Presiding Officer,

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 105 LCR 65, dated Bangalore, the 22nd June 1965.

Ordered that the accompanying Notification No. S. O 861, dated the 11th March 1965 of the Ministry of Law *re*: Election to fill casual vacancy caused by the death of Sri H. C. Dasappa, which has been published in the *Gazette of India*, Extraordinary, Part II, Section 3, sub-section (ii), dated the 11th March 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L. D.

74

GOVERNMENT OF INDIA.

MINISTRY OF LAW

(Department of Legal Affairs)

NOTIFICATION

New Delhi, the 11th March 1965.

S. O. 861.—In pursuance of the provisions of Section 67 of the Representation of the People Act, 1951 (43 of 1951), the following declaration containing the name of the candidate elected in the constituency referred to therein, is published for general information:—

DECLARATION

HOUSE OF THE PEOPLE

" *Election to Fill Casual Vacancy*

In pursuance of Section 66 of the Representation of the People Act, 1951, I declare that Shri H. K. Veeranna Gowdh, of Garden House, Maddur, Mandya District (Mysore State) has been duly elected by the 23, Bangalore Parliamentary Constituency to fill the vacancy in the House of the People caused by the death of Shri H. C. Dasappa.

The 16th February, 1965.

Place : Bangalore.

L. LINGIAH,
Returning Officer."
[No.F. 5 (1)/65-Elec.]
G. A. SHAH, Jt. Secy.

NOTIFICATION.

(LAW DEPARTMENT)

No. LAW 104 LCR 65, Bangalore, dated 22nd June 1965.

Ordered that the accompanying Notification No. S.O. 906, dated the 6th March 1965, of the Ministry of Community Development and Co-operation *re*: Power Exercisable by the Central Registrar of Co-operative Societies shall also be exercised by the Registrar of Co-operative Societies, Mysore, which has been published in the *Gazette of India*, Part II, Section 3, sub-section (ii), dated the 20th March 1965, be republished in the ***Mysore*** *Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

73 H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L. D.

GOVERNMENT OF INDIA.

MINISTRY OF COMMUNITY DEVELOPMENT AND CO-OPERATION
(Department of Co-operation)

New Delhi, the 6th March 1965.

S.O. 906.—In exercise of the powers conferred by Section 5-B of the Multi-unit Co-operative Societies Act, 1942 (6 of 1942), the Central Government hereby directs that all powers or authority exercisable by the Central Registrar of Co-operative Societies under the said Act shall also be exercisable by Shri C. A. Jamakhandimath, Registrar of Co-operative Societies, Mysore, in respect of Multi-unit Co-operative Societies which are or deemed to be actually registered in the State of Mysore.

[No. 3-14/64-CT.]

A. C. BANDOYPADHYAY, Dy. Secy.

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 102 LOR 65, Bangalore, dated the 22nd June 1965.

Ordered that the accompanying Notification No. S.O. 946 dated the 19th March 1965, *re*: Schedule under The Employees' State Insurance Act, 1948, *re*: Exemption from payment of the Employees' special contribution leviable under Chapter V A of the Act which has been published in the *Gazette of India*, Part I, Section 3, sub-section (ii), dated the 27th March 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
71 *Under Secy. to Govt., L.D.*

GOVERNMENT OF INDIA.

DEPARTMENT OF SOCIAL SECURITIY.

New Delhi the 19th March 1965.

S.O. 946.—In exercise of the powers conferred by section 73F of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government, having regard to the location of the factories mentioned in the Schedule below in sparse areas in the State of Mysore, hereby exempts them from the payment of the employer's special contribution leviable under Chapter VA of the said Act until the enforcement of the provisions of Chapter V of that Act in those areas.

SCHEDULE.

Sl. No.	Name of District	Name of the area	Name of the factory
1	Bangalore ..	Bilwardahalli ...	Card Board Packaging Co.
		Achalu ...	Senapathy Whitely (P) Ltd.
2	Bellary ...	Hampsagar ...	Masagi Kotrabasappa Oil Mills.
3	Chickmagalur ...	Moodigiri ...	Vijayalakshmi Inds.
		Basavanahalli ..	Sri Ganesh Saw Mills
4	Chitradurga ...	Tallak ...	Sub-station, Mysore State Electricity Board.
		Holalkere ...	Sub-station, Mysore State Electricity Board.
5	Dharwar ...	Mudargi ...	Sri Mahalakshmi & Co.
6	Hassan ...	Arsekere ...	James Match Industries.
7	Kolar ...	Kolar Gold Fields	Sub-station, Mysore State Electricity Board.
		Chickballapur ...	Sub-station, Mysore State Electricity Board.
8	Mandya ...	Mandya ...	Sub-station, Mysore State Electricity Board.
9	Shimoga ...	Kargal ...	Sharavathi Valley Project.
		Shimoga ...	Sub-station, Mysore State Electricity Board.
10	South Kanara ...	Ganjimut ...	Panja Tile Works.
		Gulwadi ...	Prabhakara Tile Factory.
		Malpe ...	Coronet Canning Co.
11	Tumkur ...	Ammasandra ...	Mysore Cements Ltd,
		Tumkur ...	Sub-Station, Mysore State Electricity Board.

[No. F. 6/29/65-HI.]

DALJIT SINGH, Under Secy.

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 112 LOR 65, dated Bangalore, the 22nd June 1965.

Ordered that the accompanying Notification No. S. O. 1058, dated the 20th March 1965, of the Ministry of Rehabiiltation *re*: Appointment of Managing Officer, for the custody, management and disposal of compensation pool with effect from 6th February 1965, under the Displaced Persons (Compensation and Rehabilitation) Act, 1954, which has been published in the *Gazette of India*, Part II, Section 3, subsection (ii), dated the 3rd April 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,

81 *Under Secy. to Govt., L. D.*

GOVERNMENT OF INDIA

MINISTRY OF REHABILITATION

(Office of the Chief Setttement Commissioner)

New Delhi, the 20th March 1965.

S. O. 1058.—In exercise of the powers conferred by Clause (a) of sub-section (2) of Section 16 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 (44 of 1954), the Central Government hereby appoints for the States of Maharashtra, Gujrat, Andhra Pradesh, Madras, Mysore and Kerala Shri Bhagwandas Sugansingh, Settlement Officer, in the Office of the Regional Settlement Commissioner, Bombay, as Managing Officer for the custody, management and disposal of compensation pool with effect from 6th February, 1965

No. 8/154/57-Comp. I/ARG]

KANWARBAHADUR,

Settlement Commissioner (A) and *Ex-Officio* Dy. Secy.

NOTIFICATION.

(LAW DEPARTMENT)

No. LAW 113 LCR 65, Bangalore, dated the 22nd June 1965.

Ordered that the accompanying Notification No. S. O. 1059, dated the 20th March 1965, of the Ministry of Rehabilitation *re*: Appointment of Settlement Officer for the purpose of performing the functions assigned to such officers under the Displaced Persons (Compensation and Rehabilitation) Act, 1954, which has been published in the *Gazette of India*, Part II, Section 3, sub-section (ii), dated the 3rd April 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,

82 *Under Secy. to Govt., Law Department.*

GOVERNMENT OF INDIA

MINISTRY OF REHABILITATION

(Office of the Chief Settlement Commissioner)

New Delhi, the 20th March 1965

S. O. 1059.— In exercise of the powers conferred by sub-section (1) of Section 3 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 (No. 44 of 1954), the Central Government hereby appoints for the States of Maharashtra, Gujarat, Andhra Pradesh, Madras, Mysore and Kerala, Shri Bhagwandas Sugnasingh as Settlement Officer for the purpose of performing the functions assigned to such officers by or under the said Act, with effect from 6th February, 1965.

[No. 8/154/57-Comp-I/AR .]

KANWAR BAHADUR,

Settlement Commissioner (A) and *Ex-Officio* Dy. Secy.

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 108 LOR 65, dated Bangalore, the 22nd June 1965.

Ordered that the accompanying Notification No. S. O. 1086, dated the 30th March 1965 of the Central Board of Direct Taxes *re*: The Income-tax (Fourth Amendment) Rules, 1965, which has been published in the *Gazette of India*, Extraordinary, Part II, Section 3, sub-section (ii), dated the 30th March 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

77 H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L. D.

GOVERNMENT OF INDIA
CENTRAL BOARD OF DIRECT TAXES
NOTIFICATION
INCOME-TAX

New Delhi, the 30th March 1965.

S.O. 1086.—In exercise of the powers conferred by section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely :—

1. These rules may be called the Income-tax (Fourth Amendment) Rules, 1965.

2. In the Income-tax Rules, 1962—

(1) for rule 6A, the following rule shall be substituted, namely :—

"6 A. **Allowance of expenditure in certain cases.**—Expenditure referred to in sub-section (3) of section 37 and incurred before the 1st day of April, 1965 shall be allowed to the full extent if such expenditure is admissible under sub-section (1) of that section." ;

(2) rules 6B to 6D shall be omitted ;

(3) rule 6E shall be re-numbered as rule 6B ;

(4) Appendix 1A shall be omitted.

[No 26/F. No. 1/141/64-TPL.]

V. RAMASWAMI IYER, Secy

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 120 LOR 65, Bangalore, dated the 21st June 1965.

Ordered that the accompanying Notification No. S.O. 1087 dated the 30th March 1965, of the Ministry of Home Affairs, regarding The Defence of India (Amendment) Rules 1965, which has been published in the *Gazette of India*, Extraordinary, Part II, Section 3, sub-section (ii), dated the 31st March 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore.

H. K. ANANTHASUBBA RAO,

87 *Under Secy. to Govt., L. D.*

GOVERNMENT OF INDIA.

MINISTRY OF HOME AFFAIRS

NOTIFICATION

New Delhi, the 30th March 1965.

S.O. 1087.—In exercise of the powers conferred by section 3 of the Defence of India Act, 1962 (51 of 1962), the Central Government hereby makes the following rules further to amend the Defence of India Rules, 1962, published with the notification of the Government of India in the Ministry of Home Affairs No. G.S.R. 1465 dated the 5th November, 1962, namely :—

1. (1) These rules may be called the Defence of India (Amendment) Rules, 1965.

(2) They shall come into force on the 1st day of April, 1965.

2. In the Defence of India Rules, 1962, rule 132A (relating to prohibition of dealings in foreign exchange) shall be omitted except as respects things done or omitted to be done under that rule.

[No. F. 3/2/65-Poll(Spl).]

HARI SHARMA, Spl. Secy.

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 109 LOR 65, dated Bangalore, the 22nd June 1965

Ordered that the accompanying Notification No. S. O. 1194, dated the 6th April 1965 of the Department of Communications re: specifying 1st May 1965, as the date on which the Measured Rates System will be introduced in Eluru Telephone Exchange under the Indian Telegraph Rules, 1951, which has been published in the *Gazette of India*, Part II, Section 3, sub-section (ii), dated the 17th April 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secretary to Government,
Law Department.

78

GOVERNMENT OF INDIA

DEPARTMENT OF COMMUNICATIONS

(P. & T. Board)

New Delhi, the 6th April, 1965.

S. O. 1194.—In pursuance of para (a) of Section III of Rule 434 of Indian Telegraph Rules, 1951, as introduced by S. O. No. 627, dated 8th March, 1960, the Director-General, Posts and Telegraphs, hereby speifies the 1st May, 1965 as the date on which the Measured Rate System will be introduced in Eluru Telephone Exchange.

[No. 31/11/65-PHB.]

S. K. SEN,
Assistant Director General (PHB).

NOTIFICATION.

(LAW DEPARTMENT.)

No. LAW 103 LCR 65, Bangalore dated the 22nd June 1965.

Ordered that the accompanying Notification No S. O. 1539, dated the 4th May 1965, of the Office of the Chief Settlement Commissioner *re*: Appointment of the Managing Officer under the Displaced Persons (Compensation and Rehabilitation) Act 1954, which has been published in the *Gazette of India*, Part II, Section 3, sub-section (ii), dated the 15th May 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
72 *Under Secy. to Govt., L. D.*

GOVERNMENT OF INDIA.

(Office of the Chief Settlement Commissioner)

New Delhi, the 4th May 1965.

S.O. 1539—In exercise of the powers conferred by Clause (a) of Sub-Section (2) of Section 16 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 (44 of 1954) the Central Government hereby appoints for the States of Maharashtra, Gujarat, Andhra Pradesh, Madras, Mysore and Kerala Shri M. L Sharma, Assistant Settlement Officer in the office of Regional Settlement Commissioner, Bombay, as Managing Officer for the custody, management and disposal of compensation pool with effect from the date he took over charge of his office.

[No. 8 (71) AGZ/65.]

KANWAR BAHADUR,
Settlement Commissioner (A) &
Ex-Officio, Dy. Secy.

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 117 LOR 65, dated Bangalore, the 22nd June 1965.

Ordered that the accompanying Notification No. S. O. 1359, dated the 21st April 1965, of the Department of Social Security, *re*: Further amendment under the Employees' State Insurance Act, 1948, relating to Chitaldrug Area, in the State of Mysore, which has been published in the *Gazette of India*, Part II, Section 3, sub-section (ii), dated the 1st May 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
81 *Under Secy. to Govt., L. D.*

GOVERNMENT OF INDIA.

DEPARTMENT OF SOCIAL SECURITY.

New Delhi, the 21st April 1965.

S.O. 1359.—Whereas the Central Government was satisfied that the factory the Indian Hume Pipe Co. Ltd., was situated in Chitaldrug area which was a sparse area (that is, an area whose insurable population was less than 500) in the district of Chitaldrug in the State of Mysore ;

And whereas by virtue of its location in a sparse area the aforesaid factory was granted exemption from the payment of the employer's special contribution under section 73F of the Employees' State Insurance Act, 1948 (34 of 1948) until enforcement of the provisions of Chapter V of the Act in that area by the Central Government in the Ministry of Labour and Employment notification No. S.O. 2665, dated the 2nd November, 1961 ;

And whereas the Central Government is satisfied that the insurable population of the Chitaldrug area in the district of Chitaldrug in the State of Mysore has now exceeded 500, and it is no longer a sparse area ;

Now, therefore, in exercise of the powers conferred by section 73F of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government hereby makes the following further amendment in the Ministry of Labour and Employment notification No. S.O. 2665, dated the 2nd November, 1961, namely :—

In the Schedule I to the said notification, against serial No. 7, the entries "Chitaldrug" and "The Indian Hume Pipe Co. Ltd." occurring in columns 4 and 5 shall be omitted.

[No. F. 6/33/65-III (i).]

DALJIT SINGH, Under Secy.

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 116 LOR 65, dated Bangalore, the 22nd June 1965.

Ordered that the accompanying Notification No. S.O. 1360, dated the 21st April 1965, *re*: Amendment under the Employees' State Insurance Act, 1948, relating to Chitaldrug Area in the State of Mysore, which has been published in the *Gazette of India*, Part II, Section 3, sub-section (ii), dated the 1st May 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
83 *Under Secy. to Govt., L. D.*

GOVERNMENT OF INDIA.

DEPARTMENT OF SOCIAL SECURITY

New Delhi, the 21st April 1965.

S.O. 1360.—Whereas the Central Government was satisfied that the factory, Shri Krishnarajendra Mills, was situated in Chitaldrug area which was a sparse area (that is an area whose insurable population was less than 500) in the district of Chitaldrug in the State of Mysore;

And, whereas by virtue of its location in a sparse area, the aforesaid factory was granted exemption from the payment of the employers' special contribution under section 73F of the Employees' State Insurance Act, 1948 (34 of 1948) until enforcement of the provisions of Chapter V of the Act in that area by the Central Government in the Ministry of Labour and Employment notification No. S. O. 2871, dated the 11th September, 1962;

And whereas the Central Government is satisfied that the insurable population of the Chitaldrug area in the district of Chitaldrug in the State of Mysore has now exceeded 500, and it is no longer a sparse area :

Now, therefore, in exercise of the powers conferred by section 73F of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government hereby makes the following amendments in the Ministry of Labour and Employment notification No. S. O. 2871, dated the 11th September, 1962, namely :—

In the Schedule to the said notification, against serial No. 13, the entries "Chitaldrug" and "Shri Krishnarajendra Mills" occurring in columns Nos. 3 and 4 shall be omitted.

[No. 6/33/65-HI(ii).]

DALJIT SINGH, Under Secy

NOTIFICATION.

(LAW DEPARTMENT).

No LAW 118 LOE 65 dated Bangalore, the 22nd June 1965.

Ordered that the accompanying Notification No. S. O. 1361, dated the 21st April 1965, *re*: Amendment under the Employees' State Insurance Act, 1948, retating to Chitaldrug Area in the State of Mysore, which has been published in the *Gazette of India*, Part II, Section 3, sub-section (ii), dated the 1st May 1965, be republished in the ***Mysore Gazette***, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
85 *Under Secy. to Govt., L. D.*

GOVERNMENT OF INDIA.

DEPARTMENT OF SOCIAL SECURITY

New Delhi, the 21st April 1965.

S. O. 1361.—Whereas the Central Government was satisfied that the factory, Mysore State Road Transport Corporation Depot, was situated in Chitradurga area which was a sparse area (that is, an area whose insurable population was less than 500) in the district of Chitradurga in the State of Mysore ;

And whereas by virtue of its location in a sparse area, the aforesaid factory was granted exemption from the payment of the employer's special contribution under section 73F of the Employees' State Insurance Act, 1948 (34 of 1948) until enforcement of the provisions of Chapter V of the Act in that area by the Central Government in the Ministry of Labour and Employment notification No. S. O. 889, dated the 4th March, 1964.

And whereas the Central Government is satisfied that the insurable population of the Chitradurga area in the district of Chitradurga in the State of Mysore has now exceeded 500, and it is no longer a sparse area

Now, therefore, in exercise of the powers conferred by section 73F of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government hereby makes the following amendment in the Ministry of Labour and Employment notification No. S. O. 889, dated the 4th March, 1964, namely :--

In the Schedule to the said notification, serial No. 3 and the entries relating thereto shall be omitted.

[No. F. 6(33)/65-(iii).]

DALJIT SINGH, Under Secy.

NOTIFICATION.

(LAW DEPARTMENT)

No. LAW 119 LCB 65, dated Bangalore, the 22nd June 1965.

Ordered that the accompanying Notification No. S. O. 1362, dated the 21st April 1965, *re*: Amendment under the Employees' State Insurance Act, 1948, relating to Chitaldrug Area in the State of Mysore which has been published in the *Gazette of India*, Part II, Section 3, sub-section (ii), dated the 1st May 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

86

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L.D.

GOVERNMENT OF INDIA.

DEPARTMENT OF SOCIAL SECURITY

New Delhi, the 21st April 1965.

S. O. 1362.—Whereas the Central Government was satisfied that the factory, Sri Kullappa Spinning Mills, was situated in Chitradurga area which was a sparse area (that is, an area whose insurable population was less than 500) in the district of Chitradurga in the State of Mysore;

And whereas by virtue of its location in a sparse area, the aforesaid factory was granted exemption from the payment of the employer's special contribution under Section 73F of the Employees' State Insurance Act, 1948 (34 of 1948) until enforcement of the provisions of Chapter V of the Act in that area by the Central Government in the Department of Social Security notification No. S.O. 3290, dated the 2nd September, 1964;

And whereas the Central Government is satisfied that the insurable population of the Chitrdurga area in the district of Chitradurga in the State of Mysore has now exceeded 500, and it is no longer a sparse area;

Now, therefore, in exercise of the powers conferred by section 73F of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government hereby makes the following amendment in the Department of Social Security notification No. S.O. 3260, dated the 2nd September, 1964, namely:—

In the Schedule to the said notification, serial No. 4, the entries relating thereto shall be omitted.

[No. F-6/33/65-HI(iv).]

DALJIT SINGH, Under Secy.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 69 LOA 65, Bangalore, dated the 18th June 1965.

Ordered that the Seamen's Provident Fund Bill, 1965 (Central Bill No. 36 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 11th May 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L. D.

BILL No. 36 OF 1965

A Bill to provide for the institution of a provident fund for seamen.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. *Short title and application.*—(1) This Act may be called the Seamen's Provident Fund Act, 1965.

(2) Unless otherwise expressly provided, the provisions of this Act shall apply to every seaman and to the employer of such seaman.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(*a*) "agreement with the crew" means the agreement referred to in section 100 or, as the case may be, section 114 of the Merchant Shipping Act;

(*b*) "Board" means the Board of Trustees of the Seamen's Provident Fund constituted under section 5;

(*c*) "continuous discharge certificate" means the certificate referred to in section 99 of the Merchant Shipping Act;

(*d*) "contribution" means a contribution payable in respect of a member under the Scheme;

(*e*) "employer", in relation to a seaman, means the owner of the ship on which the seaman is employed or engaged, or the agent of such owner or the master of the ship;

(*f*) "Fund" means the Seamen's Provident Fund established under the Scheme;

(*g*) "Government" means the Central Government;

(*h*) "master" and "ship" have the meanings respectively assigned to them in the Merchant Shipping Act;

(*i*) "member" means a seaman who is in possession of a continuous discharge certificate and who is admitted as a member of the Fund;

(*j*) "Merchant Shipping Act" means the Merchant Shipping Act, 1958 (44 of 1958.);

(*k*) "Scheme" means the Seamen's Provident Fund Scheme framed under sub-section (1) of section 3;

(*l*) "seaman" means a person employed or engaged as a member of the crew of a ship under the Merchant Shipping Act but does not include a master, navigating or engineering officer, radio officer, medical officer, welfare officer, purser, electrician, nurse, musician, pilot, apprentice or deck barber;

(*m*) "service" means the period of employment of a seaman under the agreement with the crew and includes any period in respect of which wages are paid or are payable to him;

(*n*) "wages" means the basic wages for the time being payable to a seaman under the agreement with the crew and includes—

(*i*) any remuneration to which he is entitled in respect of holidays or any leave period;

(*ii*) any increase of such wages in accordance with such agreement or any other agreement between the parties; but does not include the overtime allowance.

3 ***Seamen's Provident Fund Scheme*** .— (1) The Government may, by notification in the Official Gazette, frame a scheme to be

called the Seamen's Provident Fund Scheme for the establishment of a provident fund for seamen and there shall be established, as soon as may be after the framing of the Scheme, a Fund in accordance with the provisions of this Act and the Scheme.

(2) Subject to the provisions of this Act, the Scheme may provide for all or any of the matters specified in the schedule to this Act.

(3) The Scheme may provide that any of its provisions shall take effect either prospectively or retrospectively on such date as may be specified in this behalf in the Scheme.

(4) The Scheme shall have effect notwithstanding anything contained in any law for the time being in force other than this Act or in any instrument having effect by virtue of any law other than this Act.

(5) The Government may, by notification in the Official Gazette, add to, amend, vary or rescind the Scheme.

4. *Vesting of Fund, etc.*—(1) The Fund referred to in sub-section (1) of section 3 shall vest in, and be administered by, the Board constituted under section 5.

(2) The moneys in the Fund shallbe applied for—

(*a*) meeting the pay and allowances of the employees of the Board and other administrative expenses of the Board;

(*b*) carrying out the purposes of this Act.

(3) All moneys in the Fund shall be deposited in the State Bank of India or be invested in such securities as may be approved by the Government.

5. *Constitution of Board of Trustees.*—(1) The Government shall, by notification in the Official Gazette, constitute, with effect from such date as may be specified therein, a Board to be known as the Board of Trustees of the Seamen's Provident Fund which shall be a body corporate having perpetual succession and a common seal and may, by that name, sue and be sued.

(2) The head office of the Board shall be in Bombay or at such other place as the Government may, by notification in the Official Gazette, specify.

(3) The Board shall consist of—

(*a*) a Chairman to be appointed by the Government;

(b) not more than three persons appointed by the Government from amongst its officials;

(c) three persons representing employers, to be appointed by the Government after consultation with such organisation or organisations of employers as may be recognised by the Government in this behalf;

(d) three persons representing seamen, to be appointed by the Government after consultation which such organisation or organisations of seamen as may be recognised by the Government in this behalf.

(4) The terms and conditions subject to which a member of the Board may be appointed and the time, place and procedure of the meetings of the Board, including the quorum, shall be such as may be provided for in the Scheme.

(5) The Board shall administer the Fund vested in it in such manner as may be specified in the Scheme.

(6) The Board shall perform such other functions as it may be required to perform by or under any provision of the Scheme.

6. *Committees.*—(1) The Board may, from time to time, constitute one or more committee or committees for exercising any power or discharging any duty of the Board or for inquiring into, or reporting and advising on, any matter which the Board may refer to such committee or committees.

(2) A committee may include persons who are not members of the Board but their number shall not exceed one-half of its strength.

7. *Appointment of Employees of Board.*—(1) The Government shall appoint a Seamen's Provident Fund Commissioner who shall be the chief executive officer of the Board and shall be subject to the general control and superintendence of the Board.

(2) The Government may also appoint as many Deputy Seamen's Provident Fund Commissioners and other officers whose maximum monthly salary is not less than six hundred rupees, as it may consider necessary, to assist the Seamen's Provident Fund Commissioner in the discharge of his duties.

(3) The Board may appoint such other officers and employees as it may consider necessary for the efficient administration of the Scheme.

(4) No appointment to the post of the Seamen's Provident Fund Commissioner or Deputy Seamen's Provident Fund Commissioner or to any other post carrying a maximum monthly salary of not less than six hundred rupees shall be made except after consultation with the Union Public Service Commission:

Provided that no such consultation shall be necessary in regard to any such appointment—

(a) for a period not exceeding one year; or

(b) if the person to be appointed is at the time of his appointment—

(i) a member of the Indian Administrative Service; or

(ii) in the service of the Government in a Class I or Class II post or in the service of the Board.

(5) The method of recruitment, salary and allowances, discipline and other conditions of service of the Seamen's Provident Fund Commissioner and of the officers referred to in sub-section (2) shall be such as may be specified by the Government.

(6) The method of recruitment, salary and allowances, discipline and other conditions of service of other officers and employees of the Board shall be such as may be specified by the Board with the approval of the Government.

(7) All persons appointed under this section shall be the employees of the Board.

8. *Contributions.*—(1) Every employer to whom this Act applies shall, in respect of each Seman (being a member) employed by him, contribute to the Fund for the period beginning with the 1st day of July, 1964 and ending with the 31st day of March, 1968 at the rate of six per cent., and thereafter at the rate of eight per cent., of the wages paid or payable to each such seaman and every such seaman shall also contribute to the Fund an amount equal to the contribution payable by the employer in respect of him:

Provided that the amount of contribution aforesaid shall, in so far as it relates to the period prior to the commencement of the Scheme, be payable by the employer or, as the case may be, by the seaman only on such date (being a date not earlier than sixty days after the commencement of the Scheme) as the Government may, by notification in the Official Gazette, specify in this behalf.

(2) The employer shall pay, in respect of each seaman (being a member) employed by him, both the employer's contribution and the employee's contribution and shall be entitled to recover from the seaman the employee's contribution by deduction from his wages and not otherwise.

(3) Every employer shall also pay such sums of money as may be specified in the Scheme towards the cost of administering the Fund.

(4) Where the amount of any contribution under sub-section (1) or any sum payable under sub-section (3) contains a part of a rupee, then, if such part is fifty paise or more, it shall be increased to one complete rupee and if such part is less than fifty paise it shall be ignored.

9. *Determination of moneys due from employers.*—(1) The Seamen's Provident Fund Commissioner or any Deputy Seamen's Provident Fund Commissioner may, by order, determine the amount due from any employer under any provision of this Act or of the Scheme and for this purpose may conduct such inquiry as he may deem necessary.

(2) The officer conducting the inquiry under sub-section (1) shall, for the purposes of such inquiry, have the same powers as are vested in a court under the Code of Civil Procedure, 1908, (5 of 1908). for trying a suit in respect of the following matters, namely:—

(a) enforcing the attendance of any person or examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavit;

(d) issuing commission for the examination of witnesses;

and any such inquiry shall be deemed to be judicial proceeding within the meaning of sections 193 and 288, and for the purpose of section 196, of the Indian Penal Code(45 of 1860).

(3) No order shall be made under this section unless the employer has been given a reasonable opportunity of representing his case.

(4) An order made under this section shall be final and shall not be questioned in any court of law.

10. *Mode of recovery of moneys due from employers.*—Any amount due from an employer in respect of any contribution payable to the Fund, or damages recoverable under section 18 or any charges payable by him under any other provision of this Act or under any provision of the Scheme, may, if the amount is in arrear, be recovered by the Government in the same manner as an arrear of land revenue.

11. *Fund deemed to be recognised Provident Fund under Act 43 of 1961.*—For the purposes of the Income-tax Act, 1961 the Fund shall be deemed to be a recognised provident fund within the meaning of that Act.

12. *Protection against attachment.*—(1) The amount standing to the credit of any member in the Fund shall not in any way be capable of being assigned or charged and shall not be liable to attachment under any decree or order of any court in respect of any debt or liability incurred by the member, and neither the official assignee appointed under the Presidency Towns Insolvency Act, 1909 (3 of 1909) nor any receiver appointed under the Provincial Insolvency Act, 1920 (5 of 1920) shall be entitled to, or have any claim on, any such amount.

(2) Any amount standing to the credit of any member in the Fund at the time of his death and payable under the Scheme to his nominee shall, subject to any deduction authorised by the Scheme, vest in the nominee and shall be free from any debt or other liability incurred by the deceased or the nominee before the death of the member.

13. *Priority of payment of contributions over other debts.*—Where any employer is adjudicated insolvent, or, being a company, an order for winding up is made, the amount due from the employer in respect of any contribution payable to the Fund, damages recoverable under section 18 or any charges payable by him under any other provision of this Act or under any provision of the of the Scheme shall, where the liability therefor has accrued before the order of adjudication or winding up is made, be deemed to be included among the debts which under section 49 of the Presidency Towns Insolvency Act, 1909 (3 of 1909) or under section 61 of the Provincial Insolvency Act, 1920 (5 of 1920) or under section 530 of the Companies Act, 1956 (1 of 1956) are to be paid in priority to all other debts in the distribution of the property of the insolvent or the assets of the company being wound up, as the case may be.

14. *Employer not to reduce wages.*—No employer shall, by reason only of his liability for the payment of any contribution to the Fund or any charges under this Act or the Scheme, reduce, whether directly or indirectly, the wages of any seaman to whom the Scheme applies or the total quantum of benefits in the nature of old age pension, gratuity or provident fund to which the seaman is entitled under the agreement with the crew or any other agreement between the parties.

15. *Inspectors.*—(1) The Government may, by notification in the Official Gazette, appoint such employees of the Board, as the Government thinks fit, to be Inspectors for the purposes of this Act and the Scheme, and may define their jurisdiction.

(2) Every Inspector appointed under sub-section (1) may, for the purpose of inquiring into the correctness of any information furnished in connection with this Act or the Scheme or for the purpose of ascertaining whether any of the provisions of this Act or of the Scheme have been complied with—

(*a*) require an employer to furnish such information as he may consider necessary in relation to the Scheme;

(*b*) at any reasonable time and with such assistance, if any, as he may think fit, enter any office or board any ship search the same and require any one found in charge thereof to produce before him for examination any accounts, books, registers and other documents in relation to the employment of seaman or the payment of wages to seaman;

(*c*) examine, with respect to any matter relevant to any of the purposes aforesaid, the employer, his agent or servant or any other person found in charge of the office or the ship or whom the Inspector has reasonable cause to believe to be, or to have been, an employee in the office or on the ship;

(*d*) make copies of, or take extracts from, any book, register or other document maintained in connection with the Fund and, where he has reason to believe that any offence under this Act has been committed by an employer, seize with such assistance as he may think fit such book, register or other document or portions thereof as he may consider relevant in respect of that office;

(*e*) exercise such other powers as the Scheme may provide.

(3) The provisions of the Code of Criminal Procedure, 1898 (5 of 1898) shall, as far as may be, apply to any search or seizure under sub-section (2) as they apply to any search or seizure made under the authority of a warrant issued under section 98 of the said Code.

(4) Every Inspector shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code. (45 of 1860.)

16. *Penalties.*—(1) Whoever, for the purpose of avoiding any payment to be made by himself under this Act or under the Scheme or of enabling any other person to avoid such payment, knowingly makes or causes to be made any false statement or false representation shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(2) The Scheme may provide that any person who contravenes, or makes default in complying with, any of the provisions thereof shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(3) Whoever contravenes or makes default in complying with any provision of this Act shall, if no other penalty is elsewhere provided by or under this Act for such contravention or non-compliance, be punishable with imprisonment which may extend to three months, or with fine which may extend to one thousand rupees, or with both.

(4) No court shall take cognizance of any offence punishable under this Act or under the Scheme except on a report in writing of the facts constituting such offence made by the Seamen's Provident Fund Commissioner or by an Inspector appointed under sub-section (1) of section 15, with the previous sanction of such authority as may be specified in this behalf by the Government.

17. *Offences by companies.*—(1) If the person committing an offence under this Act or the Scheme is a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall ender any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act or the Scheme has been committed by a company, and it is proved that the offence was committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(3) Where any offence under this Act or the Scheme is committed by a company not registered in India and such a company has an agent in India which agent is also a company, then the provisions of this section shall apply to such agent as if the offence was committed by that agent.

Explanation.—For the purposes of this section—

(*a*) "company" means any body corporate and includes a firm and other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

18. *Power to recover damages.*—Where any employer makes default in the payment of any contribution to the Fund or in the payment of any charges payable under any other provision of this Act or under the Scheme, the Government may recover from the employer such damages, not exceeding twenty-five per cent of the amount of arrears, as it may think fit.

19. *Transfer of account.*—Where a seaman leaves the seafaring profession with no present intention of resuming that profession and obtains employment in any establishment to which the Employees' Provident Funds Act, 1952 (19 of 1952), applies, the amount standing to the credit of such seaman in the Fund shall be transferred, within such time as may be specified by the Board in this behalf, to the credit of his account in the provident fund of that establishment, if the seaman so desires and the rules in relation to that provident fund permit such transfer.

20. *Power to exempt.*—(1) The Board may, by order in writing, exempt any seaman to whom this Act applies and his employer from the operation of all or any of the provisions of this

Act if, in the opinion of the Board, the seaman is in enjoyment of benefits in the nature of provident fund or pension and such benefits, separately or jointly are on the whole not less favourable to the seaman than the benefits provided by or under this Act.

(2) Where an exemption has been granted under sub-section (1), the employer shall not at any time after the grant of the exemption, without the leave of the Board, reduce the total quantum of benefits in the nature of provident fund, pension or gratuity to which the seaman was entitled at the time of grant of such exemption.

(3) Any exemption granted under this section may be cancelled by the Board, by order in writing, if the employer fails to comply with the requirements of sub-section (2):

Provided that no such order shall be made unless the employer has been given a reasonable opportunity of showing cause against the proposed cancellation.

21. *Protection for acts done in good faith.*—No suit or other legal proceeding shall lie against the Government or the Board or any officer or employee thereof in respect of anything which is in good faith done or intended to be done under this Act or under the Scheme.

22. *Delegation.*—(1) The Government may, by order, direct that any power or duty which by this Act or by the Scheme is conferred or imposed upon the Government (other than the power to frame a scheme under section 3) shall, in such circumtances and under such conditions, if any, as may be specified in the direction be exercised or discharged also by such officer or authority as may be so specified.

(2. The Board may, with the prior approval of the Government, delegate to its Chairman or to any of its employees, subject to such conditions and limitations, if any. as it may specify, such of its functions under this Act as it may deem necessary for the efficient administration of the Scheme.

23. *Power to remove difficulties.*—If any difficulty arises in giving effect to the provisions of this Act, the Government may make such order or give such direction, not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for the removal of the difficulty, and any such order shall be final.

24. *Scheme to be laid before Houses of Parliament.*—Any Scheme framed under this Act shall be laid, as soon as may be after it is framed, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in any provision of the Scheme or both Houses agree that any provision in the Scheme should not be made, that provision of the Scheme shall thereafter have effect only in such modified form or be of no effect, as the case may be ; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that provision.

THE SCHEDULE

[*See* section 3 (2)

Matters for which provision may be made in the Scheme

1. Seamen who shall join the Fund.

2. The time and manner in which contributions shall be made to the Fund by employers and by, or on behalf of, seamen.

3. The payment by the employer of such sums of money as may be necessary to meet the cost of administering the Fund and the rate at which and the manner in which the payment shall be made.

4. Other functions of the Board.

5. The constitution of any committee for assisting the Board.

6. The opening of regional and other offices of the Board.

7. The manner in which accounts shall be kept, the investments of moneys belonging to the Fund in accordance with the directions issued or conditions specified by the Government, the preparation of the budget, the audit of accounts and the submission of reports to the Government.

8. The conditions under which withdrawals from the Fund may be permitted and any deductions or forfeiture may be made and the maximum amount of such deduction or forfeiture.

9. The fixation by the Government in consultation with the Board of the rate of interest payable to members.

10. The form in which a seamen shall furnish particulars about himself and his family whenever required.

11. The nomination of a person by a member to receive the amount standing to his credit after his death and the cancellation or variation of such nomination.

12. The registers and records to be maintained with respect to seamen and the returns to be furnished by employers.

13. The fees to be levied for any of the purposes specified in this Schedule.

14. The contraventions or defaults which shall be punishable under section 16.

15. Further powers, if any, which may be exercised by Inspectors.

16. The conditions under which a member may be permitted to pay premia on life insurance from the Fund.

17. Any other matter which is to be provided for in the Scheme or which may be necessary or proper for the purpose of implementing the Scheme.

STATEMENT OF OBJECTS AND REASONS

The question of providing social security for Seafarers has been under consideration of the Government of India for a long time. The National Welfare Board for Seafarers, a statutory body, set up under the Merchant Shipping Act, 1958, at its meeting held at Madras on 11th January, 1964, appointed a Tripartite Committee comprising of the representatives of the Shipowners, Seamen and Government. This Committee recommended that Contributory Provident Fund Scheme for seamen should be introduced with effect from 1st July ,1964, the rate of contribution by the employee as well as the employer being 6% of the wages up to 31st March 1968 and 8% of the wages thereafter. The report of the Tripartite Committee was placed before the National Welfare Board for Seafarers at its meeting held in Bombay on the 23rd December 1964 and was unanimously approved by the Board.

2. The Bill which generally follows the pattern of the Employees' Provident Funds Act, 1952, seeks to implement the above recommendations of the National Welfare Board for Seafarers. To begin with, the proposed Provident Fund Scheme will benefit about 50,000 seamen.

NEW DELHI ;

The 4th May, 1965. ... NITYANAND KANUNGO.

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND 274 OF THE CONSTITUTION OF INDIA

[Copy of Letter No. 14-MT (3)/64, dated the 4th May, 1965 from Shri Nityanand Kanungo, Minister of Civil Aviation to the Secretary, Lok Sabha].

The President, having been informed of the subject matter of the Bill to provide for the institution of a Provident Fund for Seamen, recommends under article 117 (1) and 117 (3) read with article 274 (1) of the Constitution of India, the introduction of the said Bill in the Lok Sabha and also recommends to the Lok Sabha the consideration of the Bill.

FINANCIAL MEMORANDUM

The Seamen's Provident Fund Scheme, when framed, will be administered through a Board of Trustees. All expenses relating to the administration of the Fund will be met from the Administration Account of the Fund. Accordingly sub-clause (3) of clause 8 provides that every employer shall pay to the Board such sums of money as may be specified in the Scheme towards the cost of administering the Fund.

2. Pending the realisation of the administration charges from the employers, all expenses in connection with the establishment of the Fund will be incurred by the Central Government and treated as a loan, repayable, with interest, from the Administration Account of the Fund. The initial expenditure to be incurred by the Government by way of loan is estimated at about Rs. 1 lakh

MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (1) of clause 3 of the Bill provides that the Central Government may, by notification in the Official Gazette, frame a scheme to be called the Seamen's Provident Fund Scheme for the purpose of instituting a provident fund for seamen employed under agreements with the crew. The matters which may be provided for in the Scheme have been specified in the Schedule; they *inter alia* relate to the time and manner in which contributions shall be made to the Fund, the manner in which accounts shall be kept, the conditions under which withdrawals from the Fund may be permitted, the registers and records to be maintained by employers and the fees to be levied for any of the purposes specified in the Schedule. These are matters of procedure and administrative detail and it is hardly practicable to provide for them in the Bill itself. The delegation of legislative power is, thus, of a normal character.

BILL No. 40 OF 1965

A Bill to amend the Delhi Motor Vechicles Taxation Act, 1962.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows :—

1. *Short title.*—This Act may be called the Delhi Motor Vehicles Taxation (Amendment) Act, 1965.

2. *Substitution of new section for section 20.*—For section 20 of the Delhi Motor Vehicles Taxation Act, 1962 (57 of 1962). (hereinafter referred to as the principal Act), the following section shall be substituted, namely ;—

Utilization of the proceeds of tax.—" 20. The proceeds of the tax collected under this Act (which shall form part of the Consolidated Fund of India) reduced by the cost of collection as determined by the Central Government shall, if Parliament by appropriation made by law in this behalf so provides, be paid to,—

(*i*) the Municipal Corporation of Delhi established under section 3 of the Delhi Municipal Corporation Act, 1957 (66 of 1957);

(*ii*) the New Delhi Municipal Committee established under section 11 of the Punjab Municipal Act, 1911. (Punjab Act 3 of 1911), as extended to Delhi; and

(*iii*) the Cantonment Board, Delhi, constituted under the the Cantonments Act, 1924 (2 of 1924),

for the performance of their respective functions under the said Acts and the payment shall be made in such proportion as may be prescribed.".

3. *Amendment of Schedule* I.—In Part A of Schedule I to the principal Act, in item III, for sub-item (*h*), the following sub-item shall be substituted, and shall be deemed always to have been substituted, namely :—

"(*h*) Vehicles the registered laden weight of which exceeds 10 tonnes.	The rate specified in (*g*) above *plus* Rs. 100 for every additional one tonne or part thereof in addition to 10 tonnes.".

STATEMENT OF OBJECTS AND REASONS

Under section 20 of the Delhi Motor Vehicles Taxation Act, 1962, the proceeds of the tax collected under that Act, reduced by the cost of collection, are paid to the Delhi Municipal Corporation and the New Delhi Municipal Committee in the prescribed proportion. At present, the Cantonment Board, Delhi, is not entitled to a share of the proceeds of such tax. Since, however, the tax on motor vehicles is being collected from the entire Union territory of Delhi (including the area within the jurisdiction of the Cantonment Board, Delhi) and a share of the proceeds of such tax is given to local bodies to enable them to meet the expenditure on the maintenance, etc., of roads, it is considered necessary that a portion of the proceeds of tax should be paid to the Cantonment Board, Delhi, also. Section 20 of the Act is proposed to be suitably substituted for the purpose.

Opportunity is also being taken to amend item III (*h*) of Part A of Schedule I to the Act to make the intention clear.

RAJ BAHADUR.

NEW DELHI;

The 1st May, 1965.

S. L. SHAKDHER,

Secretary.

Printed by the Director of Printing Sty. & Publications at the Govt. Press. B'lore.

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 61 LCA 65, Bangalore, dated 18th June 1965.

Ordered that the Cardamom Bill 1965 (Central Bill 39 of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 11th May 1965 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secretary to Govt., L. D.

LOK SABHA

The following Bills were introduced in Lok Sabha on the 11th May, 1965 :—

BILL NO. 39 OF 1965.

A Bill to provide for the development under the control of the Union of the Cardamom Industry.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows :-

CHAPTER I

PRELIMINARY

1. **Short title, extent and commencement**—(1) This Act may be called the Cardamom Act, 1965.

(2) It extends to the whole of India :

Provided that it shall not apply to the State of Jammu and Kashmir except to the extent to which the provisions of this Act relate to the control of export of cardamom from India and import thereof into India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint :

Provided that different dates may be appointed for different provisions of this Act.

2. **Declaration as to expediency of control by the Union.**—It is hereby declared that it is expedient in the public interest that the Union should take under its control the cardamom industry.

3. **Definitions.**—In this Act, unless the contest otherwise requires,—

(*a*) "Board" means the Cardamom Board established under section 4 ;

(*b*) "cardamom" means the fruit of cardamom plant and includes green cardamom, bleached cardamom, bleachable white cardamom, sun-dried cardamom, cardamom seeds, powdered cardamom and oil extracted from cardamom ;

(*c*) "cardamom plant" means the cardamom plant ELETTARIA CARDAMOMUM MATON and any other plant which the Board may, by notification in the Gazette of India, declare to be a cardamom plant for the purposes of this Act ;

(*d*) "Chairman" means the Chairman of the Board ;

(*e*) "dealer" means a dealer in cardamom ;

(*f*) "Director" means the Director of Cardamom Development appointed under section 7 ,

(*g*) "estate" means an area administered as one unit which contains land planted with cardamom plants ;

(*h*) "export" and "import" mean respectively taking out of or bringing into India by land, sea or air ;

(*i*) "owner", in relation to any land planted with cardamom plants, includes—

(i) any agent of the owner ; and

(ii) a mortgagee, lesee or other person in actual possession of the land ;

(*j*) "prescribed" means prescribed by rules made under this Act ;

(*k*) "registered estate" means an estate in respect of which an owner is registered under sub-section (1) of section 11 and includes any estate in respect of which an owner is required to be registered under the provisions of that sub-section , (*l*) "registered owner" means an owner of a registered estate, who has been, or is required to be, registered under sub-section (1) of section 11 ;

(*m*) "year" means the period of twelve months beginning with the 1st day of September and ending with the 31st day of August next following.

CHAPTER II.

THE CARDAMOM BOARD.

4. (1) **Establishment and constitution of the Board.**—(1) *With effect from such date as the Central Government may, by notification in the Official Gazette, specify in this behalf, there shall be estabilished for the purposes of this Act a Board to be called the Cardamom Board.*

(2) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall by the said name sue and be sued.

(3) The Board shall consist of the following members, namely :—

(*a*) a Chairman to be appointed by the Central Government ;

(*b*) the Director of Cardamom Development, *ex officio* ;

(*c*) three Members of Parliament of whom two shall be elected by the House of the People and one by the Council of States ;

(*d*) three members to represent respectively the Ministries of the Central Government dealing with—

(*i*) commeree,

(*ii*) agriculture, and

(*iii*) finance ;

(*e*) such number of other members not exceeding fifteen as the Central Government may think expedient, to be appointed by that Government by notification in the Official Gazette from among persons who are in its opinion capable of representing—

(*i*) the Governments of the principal cardamom-growing States ;

(*ii*) the cardamom-growing interests ;

(*iii*) the cardamon trade interests ;

(*iv*) the interests of labour ;

(*v*) the consumers ; and

(*vi*) such other persons or class of persons who, in the opinion of the Central Government, ought to be represented on the Board.

(4) The number of persons to be appointed as members from each of the categories specified in clause (*e*) of sub-section (3), the term of office of the members of the Board other than the member referred to in clause (*b*) of that sub-section and the manner of filling vacancies among, and the procedure to be followed in the discharge of their functions by, the members of the Board shall be such as may be prescribed.

(5) Any officer of the Central Government, not being a member of the Board, when deputed by that Government in this behalf shall have the right to attend meetings of the Board and take part in the proceedings thereof but shall not be entitled to vote.

5. Acts or proceedings of Board or its Committees not to be invalidated. No act or proceeding of the Board or any Committee appointed by it under section 9, shall be invalidated merely by reasons of-

(*a*) any vacancy in, or any defect in the constitution of, the Board or such Committee, or

(*b*) any defect in the appointment of a person acting as a member of the Board or such Committee, or

(*c*) any irregularity in the procedure of the Board or such Committee not affecting the merits of the case.

6. Salary and allowances of Chairman.—*The Chairman shall be entitled to such salary and allowances and such conditions of service in respect of leave, pension, provident fund and other matters as may, from time to time, be fixed by the Central Government.*

7. Executive officers of the Board and other staff.—(1) The Central Government shall appoint a Director of Cardamom Development to exercise such powers and perform such duties under the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(2) The Central Government shall appoint a Secretary to the Board to exercise such powers and perform such duties under the Chairman as may be prescribed or as may be delegated to him by the Chairman.

(3) *The Director and the Secretary shall be entitled to such salaries and allowances and be governed by such conditions of services regarding leave, pension, provident fund and other matters as may be fixed by the Central Government.*

(4) *Subject to such control and restrictions as may be prescribed, the Board may appoint such other officers and employees as may be necessary for the efficient performance of its functions and pay them such salaries and allowances as it may determine from time to time :*

Provided that all officers and other employees of the Directorate of Cardamom Development and Marketing (other than the Director) who hold office as such immediately before the date referred to in sub-section (1) of *of section 4 shall be deemed to have been appointed as officers or employees of the Board with effect from that date and every such officer and employee shall hold his office by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension, leave, provident fund and other matters as he would have held the same if this Act had not been passed, and shall continue to do so unless and until his employment is terminated or until such tenure, remuneration and terms and conditions are altered by the Board with the approval of the Central Government :*

Provided further that if the alteration made is not acceptable to any such officer or employee, his employment may be terminated by the Board in accordance with the terms of the contract, if any, with such officer or employee or ,if there be no such contract, on payment to him by the Board of compensation equivalent to three month's remuneration in the case of permanent employees and one month's remuneration in the case of other employees.

(5) The Chairman, the Director, the Secretary and other employees of the Board shall not undertake any work unconnected with their duties under this Act except with the permission of the Central Government.

8. Committees of the Board.—(1) The Board may appoint such Committees as may be necessary for the efficient discharge of its duties and performance of its functions under this Act.

(2) The Board shall have the power to co-opt as members of any Committee appointed under sub-section (1) such other number of persons who are not members of the Board, as it may think fit.

9. Functions of the Board.—(1) It shall be the duty of the Board to promote, by such measures as it thinks fit, the development under the control of the Central Government of the cardamom industry.

(2) Without prejudice to the generality of the provisions of sub-section (1), the measures referred to therein may provide for—

(*a*) promoting co-operative efforts among growers of cardamom ;

(*b*) ensuring remunerative returns to growers of cardamom ;

(*c*) financial or other assistance for improved methods of cultivation and processing of cardamom, for replanting cardamom and for extension of cardamom growing areas ;

(*d*) regulating the sale and export of cardamom and stabilisation of prices of cardamom ;

(*e*) training in cardamom testing and fixing grade standards of cardamom ;

(*f*) increasing the consumption in India and elsewhere of cardamom and carrying on propaganda for that purpose ;

(*g*) registering and licensing of brokers (including auctioneers) of cardamom and persons engaged in the business of cardamom ;

(*h*) improving the marketing of cardamom in India and elsewhere ;

(*i*) collecting statistics from growers, deelers and such other persons as may be prescribed on any matter relating to the cardamom industry ; the publishing of statistics so collected or portions thereof or extracts therefrom ;

(*j*) securing better working conditions and the provisions and improvement of amenities and incentives for workers ; and

(*k*) such other matters as may be prescribed.

(3) The Board shall perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government.

10. **Dissolution of the Board.**--(1) The Central Government may, by notification in the Official Gazette, direct that the Board shall be dissolved from such date and for such period as may be specified in the notification.

(2) When the Board is dissolved under the provisions of sub-section (1),—

(*a*) all members, notwithstanding that their term of office has not expired, shall, from the date of dissolution, vacate their offices as such members ;

(b) *all powers and duties of the Board shall, during the period of dissolution, be exercised and performed by such person or persons as the Central Government may appoint in this behalf* ;

(*c*) all funds and other property vested in the Board shall, during the period of dissolution, vest in the Central Government ; and

(*d*) as soon as the period of dissolution expires, the Board shall be reconstituted in accordance with the provisions of this Act.

CHAPTER III

REGISTRATION OF OWNERS OF CARDAMOM ESTATES

11. **Registration of owners of cardamom eatates.**—(1) Every owner of land planted with cardamom plants, whether such land is comprised in one estate or more than one statee, shall, before the expiration of one month from the date on which he first became owner of such estate or estates or before the expiration of three months from the date of coming into force of this section, whichever is later, apply to the registering officer appointed in this behalf by the State Government to be registered as an owner in respect of each estate owned by him :

Provided that the State Government may for sufficient reason extend the time-limit for registration by such period as it thinks fit.

(2) Registration once made shall continue to be in force until it is cancelled by the registering officer.

12. Power of State Government to make rules.—(1) The State Government may, by notification in the Official Gazette, make rules to carry into effect the provisions of section 11.

(2) Without prejudice to the generality of the foregoing power, such rules may prescribe the form of the application for registration and for cancellation of registration, the fee payable on such applications, the particulars to be included in such applications, the procedure to be followed in granting and cancelling registration, the registers to be kept by registering officers, and the supply by registering officers of information to the Board.

13. Returns to be made by registered owners.—(1) A registered owner shall furnish to the Board at the prescribed times and in the prescribed manner such returns as may be prescribed.

(2) The Board may authorise an officer to visit any estate at any time to verify the accuracy of any return made under this section or to ascertain the productive capacity of the estate.

CHAPTER IV

FINANCE ACCOUNTS AND AUDIT

14. Imposition of a cess on cardamom exported.—(1) There shall be levied on all cardamom which is exported, a cess for the purposes of this Act at such rate not exceeding two per cent *ad valorem* as the Central Government may, by notification in the Official Gazette, fix.

(2) The cess levied under sub-section (1) shall be in addition to any cess or duty leviable on cardamom under any other law for the time being in force.

(3) The provisions of the Customs Act, 1962, and the rules and regulations made thereunder, including those relating to refunds and exemptions from duty, shall, as far as may be, apply in relation to the levy and collection of the cess leviable under sub-section (1) as they apply in relation to the levy and collection of a duty of customs under that Act or those rules and regulations.

15. Payment of proceeds of cess to the Board.—*The proceeds of the cess levied under section 14 shall first be credited to the Consolidated Fund of India and the Central Government may, if Parlia-*

ment by appropriation made by law in this behalf so provides, pay to the Board from time to time from out of such proceeds, after deducting the expenses of collection, such sums of money as it may think fit for being utilised for the purposes of this Act.

16. Grants and loans by the Central Government.—*The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Board by way of grants or loans such sums of money as the Central Government may consider necessary.*

17. Constitution of the Fund.—(1) There shall be formed a Fund to be called the Cardamom Fund and there shall be credited thereto—

(*a*) the proceeds of the cess made over to the Board by the Central Government ;

(*b*) all fees levied and collected in respect of licenses issued under this Act ;

(*c*) any other fee that may be levied and collected by the Board under this Act or the rules made thereunder ;

(*d*) any grants or loans that may be made by the Central Government for the purposes of the Fund ;

(*e*) any grants or loans that may be made by any institution for the purposes of this Act ;

(*f*) all sums realised by the Board in carrying out the measures referred to in section 9.

(2) The Fund shall be applied—

(*a*) for meeting the salaries, allowances and other remuneration of the officers and other employees of the Board ;

(*b*) for meeting the other administrative expenses of the Board ;

(*c*) for meeting the cost of the measures referred to in section 9 ;

(*d*) for repayment of any loans from the Central Government or from any institution.

18. Borrowing powers of the Board.—Subject to such rules as may be made in this behalf, the Board shall have power to borrow on the security of the Cardamom Fund or any other asset for carrying out the purposes of this Act.

19. Accounts and audit.—(1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the profit and loss account and the balance-sheet in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Board shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor-General.

(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the Board shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General has in connection with the audit of Government accounts, and in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the Offices of the Board.

(4) The accounts of the Board as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

CHAPTER V

CONTROL BY CENTRAL GOVERNMENT

20. Power to control price and distribution of cardamom.—(1) The Central Government may by order notified in the Official Gazette, fix in respect of cardamom of any description specified therein—

(*a*) the maximum price or the minimum price, or the maximum and minimum prices, which may be charged by a grower of cardamom or cardamom dealer, wholesale or retail, whether for the Indian market or for export ;

(*b*) the maximum quantity which may in one transaction be sold to any person.

(2) Without prejudice to the generality of the powers conferred by sub-section (1), any order made thereunder may provide—

(*a*) for requiring persons engaged in the production, supply or distribution of, or trade and commerce in, cardamom to maintain and produce for inspection such books, accounts and records relating to their business and to furnish such information relating thereto as may be specified in the order;

(*b*) for such other matters, including in particular the entering and search of premises, vehicles, vessels and aircraft, the seizure by a person authorised to make such search, of cardamom in respect of which such person has reason to believe that a contravention of the order has been, is being or is about to be committed.

21. Power to prohibit or control imports and exports of cardamom.—(1) The Central Government may, by order published in the Official Gazette, make provision for prohibiting restricting or otherwise controlling the import or export of cardamom, either generally or in specified classes of cases.

(2) All goods to which any order under sub-section (1) applies shall be deemed to be goods of which the import or export has been prohibited or restricted under section 11 of the Customs Act, 1962, (52 of 1962) and all the provisions of that Act shall have effect accordingly.

(3) If any person contravenes any order made under sub-section (1), he shall, without prejudice to any confiscation or penalty to which he may be liable under the provisions of the Customs Act, 1962,

as applied by sub-section (2), be Punishable with imprisonment for a term which may extend to one year or with fine or with both.

22. Directions by Government.—The Board shall carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Act.

CHAPTER VI

MISCELLANEOUS

23. Penalty for making false returns...Any person who being required by or under this Act to furnish any return fails to furnish such return or furnishes a return containing any particular which is false and which he knows to be false or does not believe to be true shall be punishable with fine which may extend to five hundred rupees.

24. Penalties for obstructing an officer or member of the Board in the discharge of his duties and for failure to produce books and records.—Any person who—

(*a*) obstructs any member authorised by the Chairman in writing or any officer or other employee of the Board authorised by it in this behalf or any person authorised in this behalf by the Central Government or by the Board, in the excercise of any power conferred, or in the discharge of any duty imposed, on him by or under this Act; or

(*b*) having control over or custody of any account book or other record, fails to produce such book or record when required to do so by or under this Act,

shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

25. Penalty for contravention of order relating to control of price etc.—(1) If any person contravenes any order made under section 20, he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both ; and the property in respect of which the order has been contravened or such part thereof as the Court may deem fit, shall be forfeited to the Central Government.

(2) Any person who attempts to contravene, or abets the contravention of, any order under section 20 shall be deemed to have contravened that order.

26. Other penalties.—Whoever contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules made thereunder other than the provisions, punishment for the contravention where of has been provided for in sections 21, 23, 24 and 25, shall be punishable with imprisonment which may extend to six months, or with fine which may extend to one thousand rupees, or with both, and in the case of a continuing contravention with an additional fine which may extend to fifty rupees for every day during which such contravention continues after conviction for the first such contravention.

27. Offences by companies.—(1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the concent or connivance of, or is attributable to any neglect on the part of, any director, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section—

(*a*) "company" means any body corporate and includes a firm or other association of individuals ; and

(*b*) "director", in relation to a firm, means a partner in the firm.

28. Jurisdiction of court.—No court inferior to that of a Presidency Magistrate or a Magistrate of the first class shall try any offence punishable under this Act.

29. Previous sanction of Central Government.—No prosecution for any offence punishable under this Act shall be instituted except with the previous sanction of the Central Government.

30. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding shall lie against the Government, or the Board or any committee appointed by it, or any member of the Board or such committee, or any officer or employee of the Government or the Board or any other person authorised by the Government or the Board, for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

31. Power to delegate.—The Central Government may, by order notified in the Official Gazette, direct that any power exercisable by it under this Act may also be exercised, in such cases any subject to such conditions, if any, as may be specified in the order, by such officer or authority as may be specified therein.

32. Suspension of operation of Act.—(1) If the Central Government is satisfied that circumstances have arisen rendering it necessary that certain of the restrictions imposed by this Act should cease to be imposed or if it considers it necessary or expedient so to do in the public interest, the Central Government may, by notification in the Official Gazette, suspend or relax to a specified extent, either indefinitely or for such period as may be specified in the notification, the operation of all or any of the provisions of this Act.

(2) Where the operation of any provision of this Act has under sub-section (1) been suspended or relaxed indefinitely, such suspension or relaxation may at any time while this Act remains in force be removed by the Central Government by notificat ion in the Official Gazette.

33. Power of Central Government to make rules.—(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(*a*) the number of persons to be appointed as members from, each of the categories specified in clause (*e*) of sub-section (3) of section 4, the term of office and other conditions of service of the members of the Board and the procedure to be followed in the discharge of their functions by, and the manner of filling vacancies among such members ;

(*b*) the circumstances in which, and the authority by which a member of the Board may be removed ;

(*c*) the procedure to be followed at meetings of the Board and Committees thereof for the conduct of business and the number of members which shall form a quorum at a meeting ;

(d) the maintenance by the Board of records of business transacted by the Board and the submission of copies thereof to the Central Government ;

(e) the holding of a minimum number of meetings of the Board every year ;

(f) the powers of the Board, its Chairman, the Director and Committees of the Board with respect to the incurring of expenditure ;

(g) the conditions subject to which the Board may incur expenditure outside India ;

(h) the preparation of budget estimates of receipts and expendbture of the Board and the authority by which the estimates are to be sanctioned ;

(i) the form and the manner in which the accounts should be kept by the Board ;

(j) the deposit of the funds of the Board in banks and the investment of such funds ;

(k) the conditions subject to which the Board may borrow ;

(l) the conditions subject to which and the manner in which contracts may be entered into by or on behalf of the Board ;

(m) the delegation to the Chairman or Director or members or officers of the Board of any of the powers and duties of the Board under this Act ;

(n) the staff which may be employed by the Board and the pay and allowances and leave and other conditions of service of officers (other than those appointed by the Central Government) and other employees of the Board ;

(o) the additional matters in respect of which the Board may undertake measures in the discharge of its functions ;

(p) the travelling and other allowances of members of the Board and of Committees thereof ;

(q) *the remuneration and other allowances payable to the person or persons referred to in clause* (b) *of sub-section* (2) *of section* 10 ;

(r) the maintenance of the registers and other records of the Board and its various Committees ;

(s) the appointment by the Board of agents to discharge on its behalf any of its functions ;

(t) the form of, and the particulars to be contained in, any returns or reports to be made to the Board under this Act ;

(u) the form of and the manner of making application for licences issued by the Board, the fees payable for such application and the procedure to be followed in granting, and the conditions governing, such licences ;

(v) the collection of any information or statistics in respect of cardamom ;

(*w*) any other matter (other than a matter specified in section12) which is to be or may be prescribed or provided for by rules under this Act.

(3) Every rule made by the Central Government under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a toal period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be ; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

The annual production of cardamom, a plantation crop grown mainly in the hilly regions of Kerala, Mysore and Madras, is at present of the order of 3,000 tonnes of which about 65 to 70 per cent. is exported earning around Rs. 3 crores of foreign exchange for the country. In the World trade in this commodity, India has a near monopoly. It is thus a plantation commodity with a preponderant export angle. A substantial increase in foreign exchange earnings through Cardamom exports can be brought about by undertaking suitable measures of assis tance to planters for development of their plantation and by proper arrangements for the marketing and export of this commodity.

Export prices of cardamom have been widely fluctuating over the years. This uncertainty of prices has resulted in planters of cardamom most of whom are small growers with inadequate financial resouces of their own, being unable to maintain and develop their plantations on sound lines. Leading Associations of Cardamom planters have been representing that to help the cardamom growers in realizing fair returns for their produce and the industry to develop on sound and progressive lines, a statutory Board should be set up for undertaking measures of assistance for development and activities relating to proper marketing of the commodity.

In order to maintain steady export prices, secure better returns for the producers and increase the foreign exchange earnings from Cardamom exports, certain interim measures were taken. These interim measures gave some relief to the cardamom growers and helped to arrest the downward trend of prices and increase export prices of cardamom. Need, however, still exists for long-term measures for looking after the marketing aspects of cardamom with a view particularly to increase its export potential and for assistance to the growers for development purposes. The Cardamom Development and Marketing Advisory Committee, which was set up in February, 1963, also recommended the early constitution of a statutory Board for Cardamom for looking after the development and marketing aspects of the industry. After careful consideration, Government of India has come to the conclusion that a statutory Board to be known as the Cardamom Board should be set up. The Board is proposed to be constituted, among others, with the representatives of the growers of cardamom, exporters of cardamom and Governments of the cardamom producing states. It is proposed to vest the Board with adequate powers to undertake suitable measures for development of the Cardamom Industry, such as the promotion of co-operatives of the small growers, grant of loans to planters for improved methods of cultivation, processing, replanting and extensions, undertaking marketing activities with a view to increase the export potential of the commodity, operating price support measures, supplying machinery and equipment on hire-purchase basis to planters, assisting planters in the procurement of fertilizers, pesticides and other allied objectives. The object of the Bill is to take powers for setting up a statutory Board for Cardamom mainly with a view to enable it to undertake the activities mentioned above.

MANUBHAI SHAH.

NEW DELHI;
The 7th May, 1965.

FINANCIAL MEMORANDUM

The Cardamom Bill, 1965, provides for the control by the Union of the Cardamom Industry and, for that purpose, proposes to establish a Cardamom Board and to levy a cess at a rate not exceeding two per cent *ad valorem* on all cardamom exported.

2. Under clause 4 (3) read with clause 6 of the Bill, the Board will have a Chairman who will have to be paid such salary and allowances as may be determined by the Central Government. Under clauses 7 (1) and 7 (2), a Director of Cardamom Development and a Secretary to the Board have to be appointed for exercising such powers and performing such duties under the Chairman as may be prescribed. Under clause 7 (3), the Director and Secretary will have to be paid such salary and allowances as may be determined by the Central Government. Under clause 7 (4), the Board may appoint such officers and employees as may be necessary for the efficient performance of its functions and pay them such salaries and allowances as it may determine from time to time. Provision has

also been made for the making of rules in regard to the payment of travelling and other allowances to the members of the Board and of its committees and the payment of remuneration to any person or persons appointed to perform the functions of the Board during the perid of its dissolution.

3. It is not possible at the present stage to indicate precisely what expenditure will be incurred on the proposed Cardamom Board. It is, however, estimated that intially the expenditure will not exceed Rs. 3 lakhs per annum.

4. Clause 16 of the Bill provides for grants of loans to be paid to the Board by the Central Government. The amount of such payments will depend on the level of the actual proceeds of the cess on cardamom and the amounts required by the Board to meet its expenses, taking into account the scope of its activities. It is, therefore, not possible to determine the exact amount of expenditure that is likely to be incurred in this behalf. The amount of the grant to be given by Government is, however, expected to be within the realisations from the cess. No such expenditure will, in any case, be incurred without due appropriation made by Parliament by law in this behalf.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 12 of the Bill empowers the State Government to make rules to give effect to the provisions of clause 11 regarding registration of owners of cardamom estates and in particular for prescribing the form of application for registration and the fee payable on such application, for cancellation of registration, etc.

Clause 33 of the Bill gives power to the Central Government to make rules to carry out the purposes of the Bill. The matters in respect of which rules may be made relate, among others, to the term of office and other conditions of service of the members of the Board, the procedure to be followed at meetings of the Board and committees thereof, the travelling and other allowances payable to members of the Board and its committees, the form and the manner in which the accounts of the Board are to be maintained, the deposit and investment of the funds of the Board and other matters of a procedural or administrative nature.

The matters in respect of which provision may be made in the rules framed by the State Government and the Central Government are generally matters of procedure or detail. The delegation of legislative power is, therefore, of a normal character.

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION

LAW DEPARTMENT

No. LAW 34 LCA 65, Bangalore, dated 5th April 1965.

Ordered that the Report of the Joint Committee of the Houses of Parliament on the Press Council Bill, 1963 which has been published in the *Gazette of India,* Extraordinary, Part II, Section 2, dated the 17th February 1965 be republished in the *Mysore Gazette,* for general information.

By Order and in the name of the Governor of Mysore,

...................,

Under Secretary to Government,
Law Department.

RAJYA SABHA

New Delhi, 17*th February,* 1965/*Magha* 28, 1886.

The following Report of the Joint Committee of the Houses of Parliament on the Bill to establish a Press Council for the purpose of preserving the liberty of the Press and of maintaining and improving the standards of newspapers in India, was presented to the Rajya Sabha on the 17th February, 1965 : —

COMPOSITION OF THE JOINT COMMITTEE

MEMBERS

RAJYA SABHA

1. Shrimati Violet Alva—*Chairman.*
2. Shri Arjun Arora
3. Shri K. Damodaran
4. Shri R. R. Diwakar
5. Shri U. S. Dikshit
6. Shrimati Indira Gandhi
7. Dr. Gopal Singh
8. Shri Akbar Ali Khan
9. Shri A. D. Mani
10. Shri Loknath Misra
11. Shri Shyam Nandan Mishra
12. Shri Narla Venkateswara Rao
13. Shri Mulka Govinda Reddy
14. Shri Bhawani Prasad Tiwary
15. Shri A. B. Vajpayee

LOK SABHA

16. Shri Peter Alvares
17. Shri C. K. Bhattacharyya
18. Shri N. C. Chatterjee
19. Shri Tridib Kumar Chaudhuri
20. Shri Yudhvir Singh Chaudhary
21. Shri C. Dass
22. Shri L. Elayaperumal
23. Shri Ansar Harvani
24. Shri T. D. Kamble
25. Shri Cherian J. Kappen

26. Sardar Kapur Singh
27. Shri M. K. Kumaran
28. Shri Nihar Ranjan Laskar
29. Shri Shiv Charan Mathur
30. Shri Mathura Prasad Mishra
31. Shrimati Sharda Mukerjee
32. Shri Mohan Nayak
33. Shri Man Sinh P. Patel
34. Shri Kishen Pattnayak
35. Shri Shivaram Rango Rane
36. Shri Sadhu Ram
37. Shri Sham Lal Saraf
38. Pandit K. C. Sharma
39. Shri Shashi Ranjan
40. Shri Vidya Charan Shukla
41. Dr. L. M. Singhvi
42. Shri Tula Ram
43. Shri S. Veerabasappa
44. Shri Virbhadra Singh
45. Shri C. R. Pattabhi Raman

REPRESENTATIVES OF THE MINISTERS

Ministry of Law

Shri G. R. Bal, *Joint Secretary and Draftsman.*

Ministry of Information and Broadcasting

Shri D. R. Khanna, *Secretary, Enquiry Committee of small Newspapers.*

Shri R. K. Govil, *Under Secretary.*

SECRETARIAT

Shri S. S. Bhalerao, *Joint Secretary.*

Shri M. A. Amladi, *Deputy Secretary.*

Shri I. N. Chari, *Under Secretary.*

Report of the Joint Committee

I, the Chairman of the Joint Committee to which the Bill* to establish a Press Council for the purpose of preserving the liberty of the Press and of maintaining and improving the standards of newspapers in India was referred, having been authorised to submit the Report on their behalf, present this their Report, with the Bill as amended by the Committee annexed thereto.

2. The Bill was introduced in the Rajya Sabha on the 26th November, 1963. The motion for reference of the Bill to a Joint Committee of the Houses was moved on the 8th September, 1964 by Shri A. B. Vajpayee and was adopted by the House on the 15th September, 1964.

3. The Lok Sabha discussed the motion on the 29th September, 1964 and concurred in it on the 30th September, 1964.

4. The message from the Lok Sabha was read out to the Rajya Sabha on the 1st October, 1964.

5. The Committee held 9 sittings in all.

6. At their first sitting held on the 3rd October, 1964, the Committee decided to hear evidence from organisations, institutions including newspaper advertising agencies and individuals desirous of presenting their suggestions or views before the Committee and to issue a press communique inviting memoranda for the purpose. The Committee also authorised its Chairman to decide, after examining the memoranda submitted by individuals, as to who should be called to give oral evidence before the Committee.

7. At their second sitting held on the 16th November, 1964, the Committee decided to extend the time for receipt of memoranda etc., up to the 15th December, 1964 and to issue a press communique to that effect.

Report of the Joint Committee

I, the Chairman of the Joint Committee to which the Bill* to establish a Press Council for the purpose of preserving the liberty of the Press and of maintaining and improving the standards of newspapers in India was referred, having been authorised to submit the Report on their behalf, present this their Report, with the Bill as amended by the Committee annexed thereto.

2. The Bill was introduced in the Rajya Sabha on the 26th November, 1963. The motion for reference of the Bill to a Joint Committee of the Houses was moved on the 8th September, 1964 by Shri A. B. Vajpayee and was adopted by the House on the 15th September, 1964.

3. The Lok Sabha discussed the motion on the 29th September, 1964 and concurred in it on the 30th September, 1964.

4. The message from the Lok Sabha was read out to the Rajya Sabha on the 1st October, 1964.

5. The Committee held 9 sittings in all.

6. At their first sitting held on the 3rd October, 1964, the Committee decided to hear evidence from organisations, institutions including newspaper advertising agencies and individuals desirous of presenting their suggestions or views before the Committee and to issue a press communique inviting memoranda for the purpose. The Committee also authorised its Chairman to decide, after examining the memoranda submitted by individuals, as to who should be called to give oral evidence before the Committee.

7. At their second sitting held on the 16th November, 1964, the Committee decided to extend the time for receipt of memoranda etc., up to the 15th December, 1964 and to issue a press communique to that effect.

8. Nine memoranda/representations on the Bill were received by the Committee from different organisations, institutions and individuals.

*Published in Part II, Section 2 of the Gazette of India Extraordinary, dated the 26th November, 1963.

9. At their third and fourth sittings held on the 20th and 21st January, 1965, the Committee heard evidence tendered by two organisations and one individual.

10. The Committee decided that the whole of the evidence tendered before it be laid on the Table of the House.

11. The report of the Committee was to be presented on the 16th November, 1964. The Committee was, however, granted an extension of time up to the 17th February, 1965.

12. The Committee considered the Bill clause by clause at their sittings held on the 22nd, 23rd and 25th January and the 13th February, 1965.

13. The Committee considered the Draft Report on the 15th February, 1965 and adopted it on the same date.

14. The principal changes suggested by the Committee in the Bill and the reasons therefor are set out in the succeeding paragraphs :

Clause 4

Sub-clause (3) : The Committee are of the opinion that persons having special knowledge or experience in the field of science should also find representation in the Council. The Committee have, therefore, added 'science' to the subjects specified in paragraph (c) of this sub-clause.

Sub-clause (4): The Committee feel that in making nominations to represent the interests mentioned in paragraph (a) or paragraph (b) of sub-clause (3) care should be taken to see that chains or groups of newspapers do not get undue weightage in the Council. The Committee have accordingly amended sub-clause (4) by providing specifically that the Council should keep in view the consideration that no newspaper or chain or group of newspapers should have more than one representative in the Council.

Sub-clause (5).—The Committee are of the view that after the first formation of the Council, the power to notify associations of persons of the categories referred to in paragraphs (a) and (b) of sub-clause (3) should vest with the Council and not with Government. The sub-clause has been amended accordingly.

Clause 5

The Committe are of the opinion that a member of the Council should not hold office for more than six years in any case. Sub-clause (7) has been amended suitably to achieve this purpose.

Clause 6

The Committee hold the view that the Chairman of the Council should be a whole-time salaried officer and the reference to honorarium in this context is inappropriate. The Committee have, therefore, omitted the reference to honorarium in sub-clause (1).

Clause 12

The Committee feel that "freedom of the Press" is a more appropriate expression in view of the Constitutional safeguards as to right to freedom of expression. The word "freedom" has accordingly been substituted for the word "liberty" in this clause and wherever else it occurs in the Bill.

Sub-clause (2)—

Paragraphs (*b*), *and* (*d*) (*original*).—The Committee feel that the latter part of paragraph (b), *viz.* "and in particular to prevent the use of any information obtained by journalists for purposes of blackmail" and the whole of paragraph (d) (original) are unnecessary and have accordingly deleted them. It is felt that paragraph (b) (as modified by the Committee) and paragraph (c) are adequate to meet the objects in view.

Paragraph (d) [*original paragraph* (e)] *and paragraph* (*e*) (*new*).—In the opinion of the Committee, any provision made in the Bill should take into consideration the likely effect it may have on the free flow of news between India and foreign countries. While the Committee feel that any arrangements that may be made for the reproduction of material obtained from foreign countries should not be specifically made the subject of review, they think that the Council should be empowered to review any assistance received by any newspaper or news agency in India from foreign sources. Paragraph (d) [original paragraph (e)] has, therefore, been modified and a new paragraph (e) added to achieve this purpose.

Paragraph (*g*).—The Committee are of the opinion that the Council should not be burdened with the functions of what may appear to be an employment agency. This paragraph has, therefore, been suitably amended.

Clause 13

Sub-clause (1).—The Committee consider that it should be made obligatory on the Council to record in writing the reasons for censuring a newspaper or an editor or a journalist under the powers given to it in this clause. The amendment made in this sub-clause seeks to achieve this purpose.

Original sub-clause (2).—The Committee feel that the provision sought to be made in this sub-clause might detract from what they consider should be the unquestioned authority of the Press Council to deal with the offending members of the journalistic profession and might even affect its independent character. In the Committee's view a censure passed by the Press Council against an offending newspaper or editor or journalist should carry sufficient weight with the profession to have the desired effect on the future conduct of the offender. The Committee have, therefore, deleted this sub-clause.

New sub-clause (2).—The Committee feel that provision should also be made in the new sub-clause (2) to deal with complaints that may be made of interference with the freedom of the press by any person or authority including Government in the same manner as laid down in sub-clause (1) except that where such complaints are in respect of the alleged interference by Government, only the report of the inquiry shall be forwarded to Government. A new sub-clause has accordingly been inserted in this clause.

The other changes made by the Committee are of a consequential or verbal nature.

15. The Committee recommend that the Bill, as amended, be passed.

NEW DELHI,
February 15, 1965.

VIOLET ALVA,
Chairman of the
Joint Committee.

MINUTES OF DISSENT

I

I dissent from certain provisions of Clause 12 of the Bill, as amended and my dissension consists of objection to sub-clause (1) and opposition to paragraphs (b), (c) and (e) of sub-clause (2).

I agree that the object of the Press Council should be " to preserve the freedom of the Press " but I do not agree that it should assume normative and regulative powers " to maintain and improve the standards of newspapers in India ", as sub-clause (1) of Clause 12 of the Bill contemplates.

My objection arises out of a particular concept of " freedom " that I favour

There is a distinction between (1) freedom *from* and (2) freedom to. This is the distinction between (a) Negitive freedom, and (b) Positive freedom.

Negative freedom is the notion that, if I am prevented by other people from doing what I want, I am, to that extent, unfree. Freedom from arrest, freedom from restraint, or freedom from being coerced this way or that, is the traditional way of defining 'freedom', and it will be recalled that Lock, in his, *Essay on Liberty,* concieved of 'freedom' thiswise. Mill, while he admitted that there must be laws, held that laws infringed every man's freedom. These thinkers, therefore, tried to put in a corral, a range of human actions which were to be treated as sacred and untouchable, and in which each individual could gallop or amble, as he saw fit.

The advocates of Positive freedom adopt a different aproach. They ask, what prevents a man from being free? The laws, certainly. But was it not often man himself who restricted and shrivelled his own freedom? Man wants to be free, but free to do what? To lead good life, to eliminate evil desires, to realise his own higher self. "What is freedom" asks Egmont in Goethe's tragedy: and Alva answers, "To do what is right". The true function of the laws, therefore, must be regulative and coercive. This idea permeates, from Plato's *Republic* and *The Laws* to the modren Marxists and Utopians, and the distinction between 'negative freedom' and 'positive freedom' constitutes the real conflict of modern times, between Liberalism and Communism. It is the basic argument of self-realisation that curtailment in the freedom of one and extension in that of another enables both to lead better lives.

In clause 12(1) of the Bill, two conflicting doctrines of 'freedom' are dangerously linked up by the nexus of an "and": the first upholds 'negative freedom", while the second, the 'positive freedom'.

Since, it is a postulate of the democratic way of life that what is correct is debatable, and that it being not already known absolutely, it must be investigated through a dialogue and not super-imposed by constituted or external authorities, it would, I conceive, be undemocratic to subject, by law, our free Press, to coercive powers of a statutory Council for 'maintaining and improving the standards of newspapers in India'. The freedom to maintain and improve their own standards should be left to the newspapers themselves through guaranteeing them the necessary negative freedoms, and the Press Council must not itself involved in the matter by treating it as lying in the domain of 'positive freedoms'.

My objection to paras (b) and (c) of sub-clause (2) of Clause 12 of the Bill springs from the same fundamental argument grounded in the superiority of 'negative freedoms' and undesirability of 'positive freedoms'. These paras aim at being normative and regulative and hence, are coercive in essence. The type of coercion which these provisions implicate is not conducive, in my opinion, to maintenance of a healthy state in our Press.

I cannot overstress the point that there is no middle ground on the fundamental question involved. You can either have a free Press, or a normative and regulative Press Council. Anyone who holds that the proper function of a State is to bring about the moral perfection of its citizens, is playing with very dangerous weapons. As it is, the tendency to play with such weapons has become dangerously evident in our body-politic in recent years. It has, therefore, to be reiterated that he who anchors his moral judgements in absolute truths, his conviction will lead him, if he is rigorous enough, to believe that he has the right and the duty to impose those absolutes upon others for their own good, as in Plato's *Republic* or the *Holy Inquisition*, or Calvin's *Geneva*, or Orwell's *Nineteen Eighty-four*.

I see a clear danger of the powers asumed under paras (b) and (c) of sub-clause (2) of clause 12 of this Bill, being employed in the direction indicated in detriment of the health and freedom of our Press.

I oppose the new paragraph (e) for different reasons.

Firstly, this paragraph contains the vague and blanket expresion, "any assistance received......from foreign sources". This may include not only direct financial assistance but also reactions and information. The basic stuff with which the Press deals is events and human reactions, of public interest, and the basic function of the Press is to gather and communicate them to its readers. To place any restriction, however indirect, on the freedom of the Press to gather facts about events and human reactions from here or abroad constitutes a serious inroad into the freedom of the Press such as can lead to a controlled Press. Secondly, as long as we countenance foreign-based and foreign-oriented political parties in our country, how can we object to their Press being assisted, financially, or otherwise, from abroad? Consistency may not be an absolute virtue for politicians but it is not beneath the contempt of a law-maker.

For these reasons, I am opposed to the last portion, that succeeds the word, " and ", of sub-clause (1) of Clause 12, and to the provisions contained in paragraphs (b), (c) and (e) of sub-clause (2) of Clause 12 of the Bill.

NEW DELHI; KAPUR SINGH.
February 16, 1965.

II

The Press Council Bill which the Joint Select Committee has considered and which is due to be enacted after such modifications as Parliament may determine, will have far-reaching effects on the growth of the press not only in India but in South Asian countries which are awaiting the enactment of the law by Parliament. There are objections to certain clauses of the Bill which I shall set out in this minute. When the Press Commission considered the state of the press in India during the years 1951—54, one of the main recommendations was that the Chairman of the Council should be a person who has been a judge or is a judge of the High Court and should be nominated by the Chief Justice of India. Under Clause 4 (2) of the Bill as it stands after it has emerged from the Select Committee, the Chairman shall be a person nominated by the Chief Justice of India, since this Bill is in pursuance of the recommendations of the Press Commission, it is necessary that the precise recommendations of the Press Commission should be implemented in its provisions. As Clause 4(2) stands it is open to the Chief Justice to nominate a person, may be a Vice-Chancellor of the University, who is not a lawyer, as Chairman of the Press Council. It may be argued that the Chief Justice of India would take into consideration the recommendation of the Press Commission before making the nomination. When a Bill of this kind is going to be enacted into law it is essential that the intentions of Parliament should be made clear.

Under clause 14 of the Bill the enquiries of the Council should be held under the Code of Civil Procedure 1908. Witnesses who appear before the Council will be examined on oath, affidavits will be recorded and received and commissions for the examination of witnesses or documents may be issued. Under clause 14 of the Bill every enquiry held by the Council shall be deemed to be a judicial proceeding within the meaning of Section 193 and 228 of the Indian Penal Code.

When the obligation has been cast on the Council to conduct its enquiries in accordance with the Code of Civil Procedure, it necessarily follows that the presiding authority must be well versed in law. As the Bill does not contain any specific recommendation regarding the qualifications relating to the judicial experience of the Chairman of the Press Council it is open to objection on that ground. The witnesses who appeared before the Joint Select Committee were keen that the Chairman of the Press Council should be a person of judicial experience. It must be emphasised here that the moment the Press Council Bill is enacted into law it is the newspapermen who have to implement its provisions by assisting the Chairman. When the newspaper profession has demanded that the Chairman should be a person of judicial experience it is expected that due weight would be given to their opinion which has not found expression in Clause 4 (2) of the Bill as it stands at present.

Clause 14 of the Bill is open to serious objection on the ground that it has been opposed by the Federation of Working Journalists whose membership covers a substantial majority of journalists in the country. When the Press Commission reported in 1954 it had before it the case of Mr. Gunn, Editor of the Daily Sketch in London, who had altered the text of the contribution without the permission of the author and still published it over the author's name. The Press Council could not ensure the appearance of Mr. Gunn before it, when it was investigating the matter, and the Press Commission of India commented as follows :

> "The fact that the Press Council in the U.K. is a purely voluntary body has unduly handicapped it in its exercise of authority over the press."
>
> "We feel that a voluntary body of this nature .... may not have the necessary sanction behind its decision or legal authority to make enquires."

The consideration that seems to have weighed with the Press Commission was the need for legislation which would give the Press Council the authority to summon witnesses.

The Press Commission did not express any opinion about the exact procedure to be followed by the Press Council. In para 955 (c) of the Press Commission's Report, the Commission also said :

> " In other words, it shall not be for the Press Council to usurp the functions of a court of law nor is it intended that the Press Council in pronouncing on matters coming before them for consideration should follow the strict procedure of the Courts."

Under clause 14 of the Bill as it stands now, the enquiry is to be conducted in terms of the Code of Civil Procedure. It is one of the accepted ingredients of the principles of natural justice that the right to be represented by counsel is one which any party to a dispute can exercise if proceedings are to be conducted under the Code of Civil Procedure or the Code of Criminal Procedure. If the right to be represented by council is claimed by any party it cannot well be refused by the Press Council and if it is refused, the aggrieved party may seek redress through writ process. It will greatly hamper the Press Council if it gets involved in judicial proceedings and becomes a judicial tribunal.

Under clause 13 of the Bill, the decision of the Council in respect of any enquiry shall be final and shall not be questioned in any court of law. If a judicial procedure is gone through under clause 14 of the Bill, it is open to any party to raise the issue in an appeal on the ground of mistaken appraisal of evidence tendered before the Press Council and seek to agitate the matter in the form of an appeal or a writ petition. Both article 226 and article 136 of the Constitution may be cited as relevant in the case of an appeal. The object of the Press Commission was to see that all these disputes of unprofessional conduct or infractions of the Code of Journalistic Ethics were settled on the basis of a domestic Tribunal of newspapermen themselves. The introduction of the judicial process in such enquiries would defeat the purpose of the recommendation of the Press Commission, namely, that the Press Council should not usurp the functions of a court of law. It may be argued that the enquires would be infructuous under clause 13 if the Council does not have the power of summoning witnesses and examining them on oath. For that argument the answer is available in the Commission of Enquiries Act. It is open to the Press Council to request Government to invest it with the powers of a Commission of Enquiry under the relevant Act which would give the power to summon and enforce the attendance of persons, cross-examining them on oath, secure statement of affidavits and require the production of documents of evidence.

The introduction therefore of clause 14 in the Bill is a serious departure from one of the principal recommendations of the Press Commission and from the evidence that is available it certainly does not command the support of the majority of the profession. The Bill is likely to defeat its very purpose if at the outset journalists are made to feel that they would be asked to go through a judicial process in the form of an enquiry before the Council without the paraphernalia of protection which the ordinary law of the land permits them in other cases.

In view of my objection to clause 14 of the Bill I am not in favour of clause 21 of the Bill because under that clause every member of the Council shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

While I am generally in favour of the new sub-clause (2) of clause 13, I have doubts about the propriety of the Council being vested with the power to censure individuals or authorities who are not connected with the press and who have been adjudged guilty of interfering with the freedom of the press. The Press Council after the Bill is placed on the statute book would be a domestic tribunal for journalists set up by journalists. One can understand journalists submitting to the censure of the Council; outsiders and other non-governmental authorities have nothing to do with the setting up of the Press Council. They did not suggest that such a council should be set up or agree to abide by its findings. The Press Council will not therefore be a domestic tribunal for them. I am therefore of opinion that the Press Council should not have the power to censure them for any actions which may be regarded as interfering with the freedom of the Press. The Press Council should publish its findings on such interference by them. The findings may be in the nature of disapproval of their action. Such disapproval itself would have the effect of censure, without being formally described as censure. The object of the new sub-clause inserted in the Bill is to arouse public opinion against such interference and this object will be served if the findings of the Council are made public. This procedure should also apply to Governmental interference with the freedom of the press. Whether the Council should or should not forward its findings to Government need not be specifically mentioned in a sub-clause. It is a matter of detail which should be decided by the Press Council. It is obvious that when the Press Council arrives at findings on complaints, it would communicate them to the parties concerned. This is a matter of courtesy and need not be raised to the level of statutory recognition.

A. D. MANI.

NEW DELHI;
February 16, 1965.

III

प्रेस परिषद् के गठन का मुख्य उद्देश्य प्रेस की स्वतंत्रता का संरक्षण तथा संवर्धन करना है। पत्र-स्वातंत्र्य को सबसे बड़ा संकट शासन से है। दमनकारी कानूनों द्वारा, सरकारी विज्ञापन के वितरण में भेदभाव तथा पक्षपात [illegible] अखबारी कागज के आयात और वितरण पर अनुचित नियंत्रण लगाकर और समाचार-पत्रों तथा संवाद समितियों के संवाददाताओं को मान्यता देने में मनमानी करके शासन सभाओं की स्वाधीनता को, बहुत कुछ अंशों में, पंगु बना सकता है।

भारत में समाचार-पत्रों को जो स्वाधीनता प्राप्त है, वह गर्व का विषय है। किन्तु ऐसे उदाहरणों की भी कमी नहीं है जिनमें सरकार के अनुचित और अनावश्यक हस्तक्षेप के कारण पत्र-स्वातंत्र्य को कुंठित होना पड़ा है।

संयुक्त प्रवर समिति द्वारा प्रस्तुत विधेयक में जहां इस बात की व्यवस्था की गई है कि समाचार-पत्र उद्योग आत्मानुशासन करे और प्रेस परिषद को यह अधिकार दिया गया है कि वह पत्रकारिता की नैतिकता का उल्लंघन करने वाले पत्रकारो की "निन्दा" कर सके; वहां पत्रों की स्वाधीनता में सरकारी हस्तक्षेप के विरुद्ध केवल प्रतिवेदन प्रस्तुत करने का प्रावधान किया गया है। आश्चर्य की बात तो यह है कि जिन व्यक्तियों अथवा संस्थाओं का समाचार-पत्र-उद्योग से सीधा संबंध नहीं है, उन्हें भी अवश्यकता पड़ने पर निन्दित करने का अधिकार परिषद् को दिया गया है, किन्तु सरकार की निन्दा करने का अधिकार उसे नहीं दिया गया। अनुच्छेद 13(2) ख के अनुसार सरकारी हस्तक्षेप की शिकायत प्राप्त होने पर परिषद जांच करके अपना प्रतिवेदन सरकार को भेज देगी, शिकायत प्रमाणित होने की दशा में भी वह सरकार की आलोचना अथवा निन्दा नहीं कर सकेगी। यह स्थिति सर्वथा असमर्थनीय है। कोई भी प्रेस परिषद् यदि वह शासन के हस्तक्षेप

विरुद्ध साहस तथा दृढ़ता के साथ नहीं खड़ी हो सकती, पत्रकारों का विश्वास तथा सम्मान प्राप्त नहीं कर सकेगी। सरकारी हस्तक्षेप की दशा में यदि परिषद् हर बार प्रतिवेदन भेज कर ही चुप कर लेगी (और प्रतिवेदन भी उस सरकार को ही भेजा जायेगा जिसके विरुद्ध शिकायत है!) तो वह मखौल का विषय बन जायेगी। आवश्यक है कि प्रेस परिषद् को सरकार की भी निन्दा करने का अधिकार दिया जाए जिससे सत्ताधीश अपने अधिकारों और मर्यादाओं के अतिक्रमण के विरुद्ध सदैव सचेत रहें और प्रत्यक्ष अथवा परोक्ष रूप में कोई ऐसा काम न करें जिससे पत्रों की स्वाधीनता का हनन हो।

नई दिल्ली।
17 फरवरी, 1965।

अटल बिहारी वाजपेयी
युद्धवीर सिंह।

IV

Though appending a minute of dissent to this "twice-born" piece of legislation, I do not wish to detract from the welcome that should be accorded to the autonomous professional body of the youth estate which this enactment seeks to establish.

The present Bill represents a somewhat belated cultivation of one of the major recommendations of the Press Commission, and reflects creditably on the intentions of the Government. At the same time one feels that the Bill has not emerged as an integrated piece of legislation and tends in some respects to be a collection of disparate compromises.

I do not know what justification there is for introducing the Chief Justice of India in the process of the composition of the Council. After all, the functions of the Chief Justice are defined in the Constitution and it is neither fair nor proper to cast on the exalted office a host of extra Constitutional duties and obligations, which may not only be onerous but also embarrassing. By not delimiting in detail the categories from the Chief Justice should exercise his powers of nomination under this enactment, the Chief Justice may well be confronted with a complex and dilemmatic administrative predicament.

The composition of the Council is based more on a cleavage of classes and interests than on a pluralistic and functional conception. The consequence may well be that the composition of the Council would suffer in strength and effectiveness. The expression "wholetime officer" apropos the Chairman is inept and inelegant; leaving the Chairman's Salary and emoluments to the unfettered discretion of the Central Government is inappropriate as well as inconsistent with the autonomy and the independence of the Council.

I feel that the power to censure third parties proposed to be conferred on the Press Council runs counter to its supposed role as a professional body and may well interfere with the rights of citizens guaranteed by the Constitution and the law of the land. If it is argued that such a power is merely on the moral plane, the provision is rendered all the more redundant. As a matter of fact, however, the Council has powers of a Civil Court, while holding an inquiry and therefore would be a sort of a tribunal not only in respect of journalists but also in respect of private citizens. This, however, is incompatible with the stated objectives and purposes of the Bill, particularly because the Press Council is after all a professional body and not a court of law.

NEW DELHI, L. N. SINGHVI.

February 17, 1965.

V

I have, with great respect to my colleagues, decided to dissent from their views in regard to the proposed new clauses 12 (2) (e) and 13 (2).

Clause 12(2)(*e*): The object of this clause, which is an addition to the functions of the Press Council, is that the Council should keep under review any assistance received by any newspaper or news agency in India from foreign sources. The inclusion of this function in the Press Council bill is likely to create an impression that the Indian Press is in receipt of a large scale assistance from foreign sources. The object under the proposed additions is broadly covered by the other functions of the Press Council mentioned in paras (a), (b) and (c) of sub-clause (2) of clause 12. There is another aspect of the question. What is the machinery that the Press Council will have for ascertaining information on facts relating to the alleged assistance from a foreign source received by an Indian newspaper or a news agency

Clause 13(2) : This is a new clause added by deleting the sub-clause (2) of clause (13) of the Bill. The new clause provides for an enquiry by the Press Council against alleged interference with the freedom of the Press by Government or any officer or authority under the control of Government or any person. In the case of interference by the Government or officer or authority under the control of the Government, the Council may forward the report of the enquiry to the Government and in other cases, the Council may censure the person or the authority concerned. I am not aware of any other legislation intended mainly to regulate a profession where provisions had been made for enquiries against Government. Broadly the Press Commission wanted the Press Council to look after the editorial independence, objectivity of news presentation and fairness of comments and the regulation of the conduct of the Press in the matter of such objectionable writings as are not legally punishable. In other words, the emphasis was on the creation of a body to enforce a code of conduct which would enhance the prestige of the profession, to arbitrate on doubtful points and to censure any journalist or newspaper guilty of the infraction of the code. It would be open to Press Council to mention in their report cases in which they think that the interference with the Press has taken place at Government level.

The amendment also seeks to empower the Press Council to enquire into cases where interference with the Press is alleged by a person other than connected with a newspaper or a news agency or a Government and to censure where it is considered necessary. The inference is that the Press Council, which will be a professional body, would become a tribunal adjudicating on the conduct of persons other than journalists. This would seem to be outside the scope of the recommendation of the Press Commission as well as what was originally conceived in the Bill.

K. C. SHARMA.

NEW DELHI,

February 17, 1965.

Bill No. XXXVIII of 1963

THE PRESS COUNCIL BILL, 1963

[AS REPORTED BY THE JOINT COMMITTEE]

(Words side-lined or underlined indicate the amendments Suggested by the Committee; asterisks indicate omissions.)

A

BILL

To establish a Press Council for the purpose of preserving the freedom of the Press and of maintaining and improving the standards of newspapers in India.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. *Short title and extent.*—(1) This Act may be called the Press Council Act, 1965.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(*a*) "Chairman" means the Chairman of the Council.

(*b*) "Council" means the Press Council of India established under section 3;

(*c*) "member" means a member of the Council and includes its Chairman;

(*d*) "prescribed" means prescribed by rules made under this Act;

(*e*) the expressions editor and "newspaper have the meanings respectively assigned to them in the Press and Registration of Books Act, 1867 (25 of 1867), and the expression "working journalist" has the meaning assigned to it in the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955 (45 of 1955).

CHAPTER II

ESTABLISHMENT OF THE PRESS COUNCIL

3. *Incorporation of the Council.*—(1) *With effect from such date as the Central Government may, by notification in the Official Gazette, appoint, there shall be established a Council by the name of the Press Council of India.*

(2) The said Council shall be a body corporate having perpetual succession and a common seal and shall by the said name sue and be sued.

4. *Composition of the Council.*—(1) The Council shall consist of a Chairman and twenty-five other members.

(2) The Chairman shall be a person nominated by the Chief Justice of India.

(3) The other members shall be chosen as follows:—

(*a*) thirteen members from among the working journalists, of whom not less than six shall be editors of newspapers who do not own or carry on the business of management of newspapers, so however that the number of editors of newspapers, published in Indian languages shall not be less than three;

(*b*) six members from among persons who own or carry on the business of management of newspapers ;

(*c*) three members from among persons having special knowledge or experience in the field of education, science, literature, law or culture ;

(*d*) three members, of whom two shall be from among the members of the House of the People and one from among the members of the Council of States.

(4) The two members to be chosen from among the members of the House of the People shall be nominated by the Speaker thereof and the one to be chosen from among the members of the Council of States shall be nominated by the Chairman thereof ; and save as aforesaid, all the other members referred to in sub-section (3) shall be nominated by a Committee consisting of the Chief Justice of India, the Chairman of the Council and a person to be appointed by the President of India, and in making any such nomination, the Committee shall have due regard to the consideration that not more than one person interested in any newspaper or any group of newspapers under the same control or management should be nominated to represent any of the categories referred to in clause (*a*) or clause (*b*) of that sub-section.

(5) Before making any nomination under clause (*a*) or clause (*b*) of sub-section (3), the Committee referred to in sub-section (4) shall, in the prescribed manner, invite panels of names from all such associations of persons of the categories referred to in the said clause (*a*) or clause (*b*) as may be notified in this behalf by the Council and in making any such nomination the Committee shall have due regard to the panels of names forwarded to it :

Provided that, until the Council is established, such associations shall be notified by the Central Government.

(6) Before making any nomination under clause (*c*) of sub-section (3), the Committee shall consult such associations or persons as it thinks fit.

(7) The names of persons nominated under this section shall be forwarded to the Central Government and shall be notified by that Government in the Official Gazette, and every appointment so made under this section shall take effect from the date on which it is so notified.

5. *Term of office and Retirement of members.*—(1) Save as otherwise provided in this section, the Chairman and other members shall hold office for a period of three years.

(2) Where a person chosen as a member under clause (*a*) or clause (*b*) of sub-section (3) of section 4 is censured under the provisions of sub-section (1) of section 13, he shall cease to be a member of the Council.

(3) The term of office of a member chosen under clause (*d*) of sub-section (3) of section 4 shall come to an end as soon as he ceases to be a member of the House from which he was chosen.

(4) The Chairman may resign his office by giving notice in writing to the Central Government and any other member may resign his office by giving notice in writing to the Chairman ; and upon such resignation being accepted by the Central Government or, as the case may be, the Chairman, he shall be deemed to have vacated his office.

(5) A casual vacancy arising under sub-section (2) or sub-section (3) or sub-section (4) or otherwise shall be filled by fresh appointment and a member so appointed shall hold office for the remaining period for which the member in whose place he is appointed would have held office.

(6) Every fresh appointment to fill a casual vacancy or a vacancy caused by the retirement of a member shall

be made from the same category of persons to which the member in whose place the appointment is to be made belonged, and every such appointment shall be made by the same authority by which and in the same manner in which, that member was appointed.

(7) A retiring member shall be eligible for re-appointment:

Provided that no member shall hold office for a period exceeding six years in the aggregate and on the expiry of such period he shall cease to be a member.

6. *Conditions of service of members.*—(1) *The Chairman shall be a whole-time officer and shall be paid such * * * salary as the Central Government may think fit; and the other members shall receive such allowances or fees for attending the meetings of the Council, as may be prescribed.*

(2) Subject to the provisions of sub-section (1), the conditions of service of members shall be such as may be prescribed.

(3) It is hereby declared that the office of a member of the Council shall not disqualify its holder for being chosen as, or for being, a member of either House of Parliament.

7. *Meetings of the Council.*—The Council shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be provided by regulations made under this Act.

8. *Committee of the Council.*—For the purpose of performing its functions under this Act, the Council may constitute from amongst its members such committees for general or special purposes as it may deem necessary and every committee so constituted shall perform such functions as are assigned to it by the Council.

9. *Vacancies amongst members or defect in the constitution not to invalidate acts and proceedings of the Council.*—No act or proceeding of the Council shall be deemed to be invalid by reason merely of the existence of any vacancy in, or any defect in the constitution of, the Council.

10. *Staff of the Council.*—(1) *Subject to such rules as may be made by the Central Government in this behalf, the Council may appoint a Secretary and such other employees as it may think necessary for the efficient performance of its functions under this Act.*

(2) The terms and conditions of service of the employees shall be such as may be determined by regulations made with the prior approval of the Central Government.

11. *Authentication of orders and other instruments of the Council.*— All orders and decisions of the Council shall be authenticated by the signature of the Chairman or any other member authorised by the Council in this behalf and other instruments issued by the Council shall be authenticated by the signature of the Secretary or any other officer of the Council authorised in like manner in this behalf.

CHAPTER III

POWERS AND FUNCTIONS OF THE COUNCIL

12. *Objects and functions of the Council.*—(1) The object of the Council shall be to preserve the freedom of the Press and to maintain and improve the standards of newspapers in India.

(2) The Council may, in furtherance of its object, perform the following functions, namely:—

(*a*) to help newspapers to maintain their independence;

(*b*) to build up a code of conduct for newspapers and journalists in accordance with * high professional standards;

(*c*) to ensure on the part of newspapers and journalists the maintenance of high standards of public taste and foster a due sense of both the rights and responsibilities of citizenship;

*

(*d*) to keep under review any development likely to restrict the supply and dissemination of news of public interest and importance;

* *

(*e*) to keep under review any assistance received by any newspaper or news agency in India from foreign sources;

(*f*) to promote the establishment of such common service for the supply and dissemination of news to newspapers as may, from time to time, appear to it to be desirable;

(*g*) to provide facilities for the proper education and training of persons in the profession of journalism;

* * *

(*h*) to promote a proper functional relationship among all classes of persons engaged in the production or publication of newspapers;

(*i*) to study developments which may tend towards monopoly or concentration of ownership of newspapers, including a study of the ownership or financial structure of newspapers, and if necessary, to suggest remedies therefor;

(*j*) to promote technical or other research :

(*k*) to do such other acts as may be incidental or conducive to the discharge of the above functions.

13. *Power to censure.*—(1) Where, on receipt of a complaint made to it or otherwise, the Council has reason to believe that a newspaper has offended against the standards of journalistic ethics or public taste or that an editor or a working journalist has committed any professional misconduct or a breach of the code of journalistic ethics, the Council may, after giving the newspaper, the editor or journalist concerned an opportunity of being heard, hold an inquiry in such manner as may be provided by regulations made under this Act and, if it is satisfied that it is necessary so to do, it may, for reasons to be recorded in writing, censure the newspaper, the editor or journalist, as the case may be.

(2) Where, on receipt of a complaint made to it or otherwise, the Council has reason to believe that there has been any interference with the freedom of the Press by any person or authority, including any Government, the Council may, after giving the person or authority concerned an opportunity of being heard, hold an inquiry so far as may be in the manner referred to in sub-section (1) and,—

(*a*) in the case of any interference by the Government or any officer or authority under the control of the Government, the Council may forward the report of the inquiry to the Government ; and

(*b*) in any other case, if it is satisfied that it is necessary so to do, the Council may, for reasons to be recorded in writing, censure the person or authority.

(3) Nothing in sub-section (1) or sub-section (2) shall be deemed to empower the Council to hold an inquiry

into any matter in respect of which any proceeding is pending in a court of law.

(4) The decision of the Council under sub-section (1), shall be final and shall not be questioned in any court of law.

14. *General powers of the Council.*—(1) For the purpose of performing its functions under this Act, the Council may require the publisher of any newspaper to furnish to it information on such points or matters as it may deem necessary.

(2) While holding any inquiry under this Act, the Council shall have the same powers as are vested in a civil court while trying a suit under the Code of Civil Procedure, 1908 (5 of 1908), in respect of the following matters, namely :—

(*a*) summoning and enforcing the attendance of persons and examining them on oath ;
(*b*) requiring the discovery and production of documents ;
(*c*) receiving evidence on affidavits ;
(*d*) issuing commissions for the examination of witnesses or documents.

(3) Every inquiry held by the Council shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code (45 of 1860).

15. *Payments to the Council.—The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Council in each financial year such sums as may be considered necessary for the performance of the functions of the Council under this Act.*

16. *Fund of the Council.*—(1) The Council shall have its own Fund ; and all such sums as may, from time to time, be paid to it by the Central Government and all grants and advances made to it by any other authority or person, shall be credited to the Fund and all payments by the Council shall be made therefrom.

(2) All moneys belonging to the Fund shall be deposited in such banks or invested in such manner as may, subject of the approval of the Central Government, be decided by the Council.

(3) The Council may spend such sums as it thinks fit for performing its functions under this Act, and such sums shall be treated as expenditure payable out of the Fund of the Council.

17. *Budget.*—The Council shall prepare, in such form and at such time each year as may be prescribed, a budget in respect of the financial year next ensuing showing the estimated receipts and expenditure, and copies thereof shall be forwarded to the Central Government.

18. *Annual report.*—The Council shall prepare once every year, in such form and at such time as may be prescribed, an annual report giving a summary of its activities during the previous year, and giving an account of the standards of newspapers and factors affecting them, and copies thereof shall be forwarded to the Central Government and the Government shall cause the same to be laid before both Houses of Parliament.

19. *Accounts and audit.*—The accounts of the Council shall be maintained and audited in such manner as may, in consultation with the Comptroller and Auditor-General of India, be prescribed.

CHAPTER IV.

MISCELLANEOUS.

20. *Protection of action taken in good faith.*—(1) No suit or other legal proceeding shall lie against the Council or any member thereof or any person acting under the direction of the Council in respect of anything which is in good faith done or intended to be done under this Act.

(2) No suit other legal proceeding shall lie against any newspaper in respect of the publication of any matter therein under the authority of the Council.

21. *Members, etc., to be public servants.*—Every member of the Council and every officer or other employee appointed by the Council shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (45 of 1860).

22. *Power to make rules.*—(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act :

Provided that when the Council has been established, no such rules shall be made without consulting the Council.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(*a*) the manner in which panels of names may be invited under sub-section (5) of section 4 ;

(*b*) the allowances or fees to be paid to the members of the Council for attending meetings of the Council, and other conditions of service of such members ;

(*c*) the appointment of the Secretary and other employees of the Council ;

(*d*) the form in which, and the time within which, the budget and annual report are to be prepared by the Council ;

(*e*) the manner in which the accounts of the Council are to be maintained and audited.

(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if before the expiry of the session in which it is so laid or the successive sessions

aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

23. *Power to make regulations.*—The Council may make regulations not inconsistent with this Act and the rules made thereunder, for—

(*a*) regulating the meetings of the Council and the procedure for conducting business thereat;

(*b*) specifying the terms and conditions of service of the employees appointed by the Council.

(*c*) regulating the manner of holding any inquiry under this Act:

Provided that the regulations made under caluse (b) shall be made with the prior approval of the Central Government.

B. N. BANERJEE,
Secretary.

Printed by the Director of Printing, Sty & Publications at the Govt. Press, B'lore

PART IV

Section I-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION

(LAW DEPARTMENT).

No. LAW 27 LCA 65, dated Bangalore, the 16th March 1965.

Ordered that the Industrial Disputes (Second Amendment) Bill, 1964 (XXXII of 1964), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 24th December 1964, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L.D.

II

BILL NO. XXXII OF 1964.

A Bill further to amend the Industrial Disputes Act, 1947.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Industrial Disputes (Second Amendment) Act, 1964.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Amendment of Section 2.*— In Section 2 of the Industrial Disputes Act, 1947 (14 of 1947), (hereinafter referred to as the principal Act),—

(*i*) in sub-clause (*i*) of clause (*a*), after the words and figures "Employees' State Insurance Act, 1948 (34 of 1948), or", the words and figures 'the "Indian Airlines" and "Air-India" Corporations established under Section 3 of the Air Corporations Act, 1953 (27 of 1958), or' shall be inserted;

(*ii*) in clause (*p*), before the words "the appropriate Government", the words "an officer authorised in this behalf by" shall be inserted.

3. *Insertion of new Section 2A.*—After Section 2 of the principal Act, the following Section shall be inserted, namely:—

2A. *Dismissal, etc., of an individual workman to be deemed to be an industrial dispute.*—Where any employer discharges, dismisses, retrenches or otherwise terminates the services of an individual workman, any dispute or difference between that workman and his employer connected with, or arising out of, such discharge, dismissal, retrenchment or termination shall be deemed to be an industrial dispute notwithstanding that no other workman nor any union of workmen is a party to the dispute."

4. *Amendment of Section 12.*—In section 12 of the principal Act, in sub-section (3) after the words "the appropriate Government", the words "or an officer authorised in this behalf by the appropriate Government" shall be inserted.

5. *Substitution of new section for section 25C.*—For section 25C of the principal Act, the following Section shall be substituted, namely:—

6. *Right of workmen laid off for compensation.*-"25C. Whenever a workman (other than a *badli* workman or a casual workman) whose name is borne on the muster rolls of an industrial establishment and who has completed not less than one year of continuous service under an employer is laid off, whether continuously or intermittently, he shall be paid by the employer for all days during which he is so laid off, except for such weekly holidays as may intervene, compensation which shall be equal to fifty per cent, of the total of the basic wages and dearness allowance that would have been payable to him had he not been so laid off:

Provided that if during any period of twelve months, a workman is so laid off for more than forty-five days, no such compensation shall be payable in respect of any period of the lay off after the expiry of the first forty-five days, if there is an agreement to that effect between the workman and the employer:

Provided further that it shall be lawful for the employer in any case falling within the foregoing proviso to retrench the workman in accordance with the provisions contained in section 25F at any time after the expiry of the first forty-five days of the lay off and when he does so, any compensation paid to the workman for having been laid off during the preceding twelve months may be set off against the compensation payable for retrenchment.

Explanation.—"*Badli* workman" means a workman who is employed in an industrial establishment in the place of another workman whose name is borne on the muster rolls of the establishment, but shall cease to be regarded as such for the purposes of this section, if he has completed one year of continuous service in the establishment."

6. *Amendment of Section 29.*—In section 29 of the principal Act, after the words "which may extend to six months, or with fine, or with both", the words "and where the breach is a continuing one, with a further fine which may extend to two hundred rupees for every day during which the breach continues after the conviction for the first" shall be inserted.

STATEMENT OF OBJECTS AND REASONS

In order to simplify the existing procedure for handling disputes in respect of the Air Corporations, it is considered necessary to bring the Indian Airlines and Air India Corporations within the jurisdiction of the central sphere as in the case of some other Corporations of all India importance such as the Agricultural Refinance Corporation, the Deposit Insurance Corporation, etc.

2. In construing the scope of industrial dispute, Courts have taken the view that a dispute between an employer and an individual workman cannot *per se* be an industrial dispute, but it may become one if it is taken up by a union or a number of workmen making a common cause with the aggrieved individual workman. In view of this, cases of individual dismissals and discharges cannot be taken up for conciliation or arbitration or referred to adjudication under the Industrial Disputes Act, unless they are sponsored by a union or a number of workmen. It is now proposed to make the machinery under the Act available in such cases.

3. Section 25C of the Act provides that a workman (who has completed not less than one year of continuous service) on being laid off, is entitled to receive compensation up to a maximum period of forty-five days during the course of any twelve months. Where, however, the period of lay-off after the expiry of the first forty-five days comprises continuous periods of one week or more, the workman is to be paid compensation for all the days comprised in every such subsequent period of lay off, unless there is an agreement to the contrary between the workman and the employer. This provision is open to abuse in as much as workmen could be denied lay off compensation by being made to work for some days in each

week after the first forty-five days of lay off. With a view to prevent such an abuse, it is now considered necessary to make a provision that lay off compensation would become payable for all the days of lay off beyond the first forty-five days whether the period is continuous for a week or not.

4. Section 29 of the Act provides for the imposition of a penalty for breach of a settlement or an award, which may be imprisonment for a term which may extend to six months, or fine, or both. There is no provision for enhanced penalty in the event of continued breach of settlements or awards with the result that some unscrupulous employers are able to successfully thwart the implementation of settlements or awards by paying a fine once, which may be far less than what the obligation would otherwise entail. Consequently, the workmen are unable to get the benefits flowing from the award though the employer might have been convicted for the breach. Thus, the absence of provisions for deterrent penalties for continued breach of settlements and awards is acting as an impediment in the way of implementation of settlements and awards, and it is, therefore, now proposed to make a suitable provision for the imposition of punishment in case of a continuing breach of a settlement or an award after conviction for the first breach.

5. Many of the above proposals have also received the approval of the Standing Labour Committee at its 21st Session.

6. The present Bill seeks to amend the Industrial Disputes Act to give effect to the above proposals and opportunity has also been availed of to make two other amendments of procedural nature.

NEW DELHI, D. SANJIVAYYA.
The 16th December, 1964.

FINANCIAL MEMORANDUM

Clause 3 of the Bill seeks to provide that individual disputes regarding dismissals, discharges, etc., should be deemed to be industrial disputes for the purposes of the Industrial Disputes Act, 1947. This is likely to increase the number of industrial disputes and cases for adjudication to a very small extent. It is proposed to manage, as far as possible, the probable increase in work-load with the existing staff of the Industrial Relations Machinery and the Labour Courts and Tribunals. Hence, the provision is not likely to involve any appreciable additional expenditure immediately or in the near future.

NOTIFICATION

(LAW DEPARTMENT)

No. LAW 28 LCA 65, Bangalore, dated 16th March 1965.

Ordered that the Employees Provident Funds (Amendment) Bill, 1964 (XXXIV of 1964) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 24th December 1964, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secretary to Government,
Law Department.

32

Bill No. XXXIV of 1964

A Bill further to amend the Employees' Provident Funds Act, 1952.

Be it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:

1. (1) *Short title and commencement.* This Act may be called the Employees' Provident Funds (Amendment) Act, 1964.

(2) It shall be deemed to have come into force on the 24th day of November 1964.

2. *Amendment of Section 2.* In section 2 of the Employees' Provident Funds Act, 1952, (19 of 1952) in sub-clause (*i*) of clause (*a*), after the words "a controlled industry", the words "or in relation to an establishment having departments or branches in more than one State," shall be inserted.

STATEMENT OF OBJECTS AND REASONS

Under the Employees' Provident Funds Act, 1952, which provides for the institution of compulsory provident funds for employees in factories and other establishments, where an establishment already provides benefits in the nature of provident fund or otherr etirement benefits to its employees, not less favourable than those provided under the Act and the Scheme framed thereunder, the establishment may be exempted from the operation of the Scheme subject to certain conditions. Such exemption is granted by the Central Government in cases of establishments belonging to, or under the control of, the Central Government or connected with a railway, major port, mine, oil-field or controlled Industry and by the State Governments in other cases. It is considered that where an establishment consists of departments or branches located in different States, the power to grant exemption should be exercised by the Central Government. This is necessary for the sake of uniformity and convenience of all concerned. It is accordingly proposed to amend the definition of the term "appropriate Government" given in section 2 (*a*) of the Act. As this power has already been exercised by the Central Government in some urgent cases, it is proposed to give retrospective effect to this amendment.

2. The Bill seeks to give effect to the above proposal.

NEW DELHI: **A. K. SEN.**
The 19th December, 1964.

B. N. BANERJEE,
Secretary.

NOTIFICATION

(LAW DEPARTMENT)

No. LAW 30 LCA 65, Bangalore, dated 16th March 1965.

Ordered that the Income-tax (Amendment) Ordinance, 1965 (I of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 6th January, 1965 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secretary to Government,
Law Department.

33

THE INCOME-TAX (AMENDMENT) ORDINANCE, 1965

No. I OF 1965

Promulgated by the President in the Fifteenth Year of the Republic of India.

An Ordinance further to amend the Income-tax Act, 1961.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (*1*) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. *Short title and commencement*—(*1*) This Ordinance may be called the Income-tax (Amendment) Ordinance, 1965.

(*2*) It shall come into force at once.

2. *Amendment of section 132*—In section 132 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the principal Act),—

(*i*) for sub-section (1), the following sub-sections shall be substituted, namely:-

"(*1*) Where the Commissioner, in consequence of information in his possession, has reason to believe that-

(*a*) any person to whom a summons under sub-section (*1*) of Section 37 of the Indian Income-tax Act, 1922 (II of 1922), or under sub-section (*1*) of

Section 131 of this Act, or a notice under sub-section (*4*) of Section 22 of the Indian Income-tax Act, 1922, (II of 1922), or under sub-section (*1*) of Section 142 of this Act was issued to produce, or cause to be produced, any books of account or other documents has omitted or failed to produce, or cause to be produced, such books of account, or other documents as required by such summons or notice, or

(*b*) any person to whom a summons or notice as aforesaid has been or might be issued will not, or would not, produce or cause to be produced any books of account or other documents which will be useful for, or relevant to, any proceeding under the Indian Income-tax Act, 1922 (II of 1922), or under this Act, or

(*c*) any person is in possession of any money, bullion, jewellery or other valuable article or thing and such money, bullion, jewellery or other valuable article or thing represents either wholly or partly income or property which has not been disclosed for the purposes of the Indian Income-tax Act, 1922 (II of 1922), or this Act (hereinafter referred to as the undisclosed income or property),

he may authorise any Inspecting Assistant Commissioner or any Income-tax Officer to—

(*i*) enter and search any building or place where he has reason to suspect that such books of account, other documents, money, bullion, jewellery or other valuable article or thing are kept;

(*ii*) seize any such books of account, documents, money, bullion, jewellery or other valuable article or thing found as a result of such search;

(*iii*) place marks of identification on any such books of account or other documents or make or cause to be made extracts or copies therefrom;

(*iv*) make a note or an inventory of any such money, bullion, jewellery or other valuable article or thing.

(*1A*) The Inspecting Assistant Commissioner or the Income-tax Officer authorised under sub-section (1) may requisition the services of any police officer or of any officer of the Central Government, or of both, to assist him for all or any of the purposes specified in that sub-section and it shall be the duty of every such officer to comply with such requisition.

(*1B*) Where any money, bullion, jewellery or other valuable article or thing (hereinafter referred to as the assets) is seized under sub-section (*1*), the Income-tax Officer, after making an enquiry in such manner as may be prescribed, shall, within ninety days of the seizure, make an order, with the previous approval of the Commissioner,—

(*i*) estimating the undisclosed income (including the income from the undisclosed property) in a summary manner to the best of his judgments on the basis of such materials as are available with him;

(*ii*) calculating the tax on the income so estimated in accordance with the provisions of the Indian Income-tax Act, 1922 (II of 1922), or this Act;

(*iii*) specifying the amount that will be required to satisfy any existing liability under this Act and any one or more of the Acts specified in clause (*a*) of sub-section (*1*) of Section 230 A in relation to which such person is in default or is deemed to be in default,

and retain in his custody, for application in the prescribed manner, such assets or part thereof as are in his opinion sufficient to satisfy the aggregate of the amounts specified in clauses (*ii*) and (*iii*) and forthwith release the remaining portion, if any, of the assets to the person from whose custody they were seized:

Provided that if after taking into account the materials available with him, the Income-tax Officer is of the view that it is not possible to ascertain to which particular previous year or years such income or any part thereof relates, he may calculate the tax on such income or part, as the case may be, as if such income or part were the total income assessable for the assessment year in which the assets were seized.

(1C) If the Income-tax Officer is satisfied that the seized assets or any part thereof were held by such person for or on behalf of any other person, the Income-tax Officer may proceed under sub-section *(1B)* against such other person and all the provisions of that sub-section shall apply accordingly.";

(ii) after sub-section *(4)*, the following sub-section shall be inserted, namely:—

"*(4A)* If any person objects for any reason to an order made under sub-section *(1B)*, he may within thirty days of the date of such order, make an application to the Board stating therein the reasons for such objection and requesting for appropriate relief in the matter.";

(iii) in sub-section *(5)*, after the words, brackets and figure "under sub-section *(4)*", the words, brackets, figure and letter "or sub-section *(4A)*" shall be inserted;

(iv) in sub-section *(7)*, for the word "searches", the words "any search or seizure" shall be substituted;

(v) the following *Explanations* shall be inserted at the end, namely:-

'*Explanation* 1.—In computing the period of ninety days for the purposes of sub-section *(1B)*, any period during which any proceeding under this Section is stayed by an order or injunction of any court shall be excluded.

Explanation 2.—In this Section, the word "proceeding" means any proceeding in respect of any year, whether under the Indian Income-tax Act, 1922 (11 of 1922), or this Act, which may be pending on the date on which a search is authorised under this Section or which may have been completed on or before such date and includes also all proceedings under this Act which may be commenced after such date in respect of any year.'

3. *Amendment of Section 271*—In Section 271 of the principal Act, after sub-section (*4*), the following sub-section shall be inserted, namely:—

"(*4A*) Notwithstanding anything contained in clause (*iii*) of sub-section (*1*), the Commissioner may, in his discretion, reduce or waive the amount of minimum penalty imposable on a person under the said clause if he is satisfied that such person—

(*a*) has, prior to the detection by the Income-tax Officer, of the concealment of particulars of income in respect of which the penalty is imposable, or the inaccuracy of particulars furnished in respect of such income, valuntarily and in good faith, made full and true disclosure of such particulars;

(*b*) has co-operated in any enquiry relating to the assessment of such income; and

(*c*) has either paid or made satisfactory arrangements for payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year:

Provided that if in a case the minimum penalty imposable under clause (*iii*) of sub-section (*1*) in respect of the relevant assessment year, or where such disclosure relates to more than one assessment year, the aggregate of the minimum penalty imposable in respect of those years, exceeds a sum of rupees fifty thousand, no order reducing or waiving the penalty shall be made by the Commissioner unless the previous approval of the Board has been obtained.

(*4B*) An order under sub-section (*4A*) shall be final and shall not be called in question before any court of law or any other authority."

4. *Amendment of Section 279.*—In Section 279 of the principal Act, after sub-section (*1*), the following sub-section shall be inserted, namely :-

"(*1A*) A person shall not be proceeded against for an offence under Section 277 in relation to the assessment for an assessment year in respect of which the penalty imposable upon him under clause (*iii*) of sub-section (*1*) of Section 271 has been reduced or waived by an order under sub-section (*4A*) of that Section."

5. *Validation of certain searches made*—Any search of a building or place by an Inspecting Assistant Commissioner or Income-tax Officer purported to have been made in pursuance of sub-section (*1*) of Section 132 of the principal Act before the commencement of this Ordinance shall be deemed to have been made in accordance with the provisions of that sub-section as amended by this Ordinance as if those provisions were in force on the day the search was made and shall not be called in question before any court or any other authority merely on the ground-

(*i*) that the Inspecting Assistant Commissioner or the Income-tax Officer made such search with the assistance of any other person ; or (*ii*) that no proceeding under the Indian Income-tax Act, 1922 (11 of 1922), or the principal Act was pending against the person concerned when the search was authorised under the said sub-section.

S. RADHAKRISHNAN,
President.

R. C. S. SARKAR,
Secy. to the Govt. of India.

NOTIFICATION

(LAW DEPARTMENT).

No. Law 26 LCA 65, Bangalore, dated 16th March 1965.

Ordered that the Jawaharlal Nehru University Bill, 1964 (XXXIII of 1964) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 24th December 1964 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,
H. K. ANANTHASUBBA RAO,
30 – *Under Secy. to Govt., L. D.*

RAJYA SABHA

The following Bills were introduced in the Rajya Sabha on the 24th December, 1964:—

I

BILL NO. XXXIII OF 1964

A Bill to establish and incorporate a University of Delhi.

Be it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. *Short title and commencement*—(*1*) This Act may be called The Jawaharlal Nehru University Act, 1964.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Definitions*— In this Act, unless the context otherwise requires,—

(*a*) "College" means a college maintained, or admitted to its privileges, by the University;

(*b*) "Hall" means a unit of residence, by whatever name called, for students of the University provided, maintained or recognised by it;

(*c*) "Institution" means an institution of higher learning maintained, or recognised as such, by the University;

(*d*) "prescribed" means prescribed by Statutes, Ordinances or Regulations;

(*e*) "Statutes", "Ordinances" and "Regulations" mean, respectively, the Statutes, Ordinances and Regulations of the University made under this Act;

(*f*) "University" means the Jawaharlal Nehru University; and

(*g*) "University area" means the area with respect to which the University shall have territorial jurisdiction.

3. *The University*—(1) There shall be constituted in the Union territory of Delhi a University by the name of "Jawaharlal Nehru University";

Provided that the affiliation of colleges in the said area to the University shall come into force from only such date as the Central Government may, by notification in the Official Gazette, appoint.

(2) The first Chanceller and the first Vice-Chancellor of the University and the first members of the Court, the Executive Council and the Academic Council and all persons who may hereafter become such officers or members so long as they continue to hold such office or membership are hereby constituted a body corporate by the name of "Jawaharlal Nehru University".

(3) The University shall have perpetual succession and a common seal, and shall sue and be sued by the said name.

4. *Powers of the University*- The University shall have the following powers, namely:—

(1) to provide for instruction (including correspordence courses) and research in the Humanities, Science and Technology, Education, Medicine and other professional subjects and in other spheres of learning and knowledge of a standard and thoroughness required and expected of a University of the highest

standing, and to secure the advancement, diffusion and extension of knowledge in all spheres of learning;

(2) to establish within the University area or outside that area such field stations and specialised laboratories and such other units for research and instruction as are necessary for the furtherance of its objects;

(3) to organise and to undertake extra-mural teaching and extension services;

(4) to hold examinations and to grant to, and confer degrees, diplomas, certificates or other academic distinctions and to deprive persons of any degrees, diplomas, certificates, or distinctions granted to or conferred upon them by the University for good and sufficient cause;

(5) to create such teaching, administrative and other posts as the University may deem necessary from time to time and to make appointments thereto;

(6) to appoint or recognise persons as Professors, Readers or Lecturers or otherwise as teachers of the University;

(7) to institute and award Fellowships, Scholarships, Exhibitions and Prizes;

(8) to establish and maintain Colleges and Halls, to recognise, supervise and control Halls not maintained by the University and other accommodation for students, and to withdraw any such recognition;

(9) to regulate and enforce discipline among students and employees of the University and to take such disciplinary measures in this regard as may be deemed necessary;

(10) to make arrangements for promoting health and general welfare of students of the University;

(11) to determine and provide for examinations for admission into the University;

(12) to affiliate with it, or admit to any of its privileges or to recognise for any purpose and either in whole or in part, any college or institution or members or students thereof, on such terms and conditions as may, from time to time, be prescribed and to withdraw such affiliation, privileges and recognition;

(13) to co-operate with any other University, authority or association or any other public or private body having in view the promotion of purposes and objects similar to those of the University or appoint one or more representatives of the University to act upon any such body, authority or association for such purposes as may be agreed upon, on such terms and conditions as may, from time to time, be prescribed;

(14) to enter into any agreement for the incorporation in the University of any other institution and for taking over its rights, properties and liabilities and for any other purpose not repugnant to this Act;

(15) to demand and receive payment of such fees and other charges as may be prescribed from time to time;

(16) to acquire, hold, manage and dispose of any property movable or immovable, including trust or endowed property within or outside the University area, for the purposes or objects of the University, and to invest any funds representing such property in such manner as the University thinks fit;

(17) to borrow, with the approval of the Central Government, on the security of the University property, money for the purposes of the University; and

(18) to do all such other acts and things, whether incidental to the powers aforesaid or not, as may be

requisite in order to further the objects of the University.

5. *Territorial exercise of powers*—(1) Save as otherwise provided in this Act, the powers of the University conferred by or under this Act shall extend to the whole of Union territory of Delhi except the area in respect of which the Delhi University shall have territorial jurisdiction:

Provided that the powers of the University shall not extend to the institution known as the Maulana Azad Medical College situated in the University area.

(2) Notwithstanding anything in any other law for the time being in force no educational institution within the University area shall be associated in any way with, or be admitted to any privileges of, any other University incorporated by law in India and any such privileges granted by any such other University to any educational institution within the University area shall be deemed to be withdrawn with effect from such date as may be appointed by a notification under the proviso to sub-section (1) of section 3:

Provided that the Central Government may, by order in writing, direct that the provisions of this sub-section shall not apply to any institution or shall apply to any institution subject to such conditions as may be specified in the order.

6. *Powers and jurisdiction in respect of institution or body outside the University area.*—Notwithstanding anything contained in section 5,—

(*a*) where any institution or body established outside the University area seeks recognition from, or affiliation with, or admission to the privileges of the University, or (*b*) where the University establishes and maintains any institution or body outside the University area,

then the powers and jurisdiction of the University shall extend to such institution or body subject to—

(i) the laws force in the State within which, and

(ii) the rules and regulations of the University within whose jurisdiction,

the said institution or body is situated.

7. *Visitor.*—(1) The President of India shall be the Visitor of the University.

(2) The Visitor shall have the right to cause an inspection to be made by such person or persons as he may direct of the University, its buildings, laboratories and equipment and of any institution maintained by the University, and also of the examinations, teaching and other work conducted or done by the University and to cause an enquiry to be made in respect of any matter connected with the University.

(3) The Visitor may by order in writing annul any proceeding of the University which is not in conformity with this Act, the Statutes or the Ordinances.

(4) The Visitor shall also have such other powers as may be prescribed by the Statutes.

8. *Officers of the University.*—(1) There shall be a Chancellor of the University who shall be the Head of the University and shall preside at any of its convocation for conferring degrees.

(2) There shall be a Vice-Chancellor appointed in the prescribed manner who shall be the principal

executive and Academic Officer of the University and *ex officio* Chairman of the Court, Executive Council, Academic Council and Finance Committee and he shall, in the absence of Chancellor, have power to preside at any convocation and confer degrees.

(3) There shall be one or more Pro-Vice-Chancellors of the University who shall be appointed in accordance with the Statutes and subject to the Statutes shall act for, and exercise the powers of, the Vice-Chancellor during a vacancy in the office of the Vice-Chancellor or during the absence, inability or incapacity of the Vice-Chancellor and shall exercise such other powers as may be assigned to him by the Vice-Chancellor.

(4) There shall be a Dean for each School of Study and for each Faculty who shall be appointed in such manner and with such powers and duties as may be prescribed by the Statutes.

(5) There shall be a Registrar who shall act as Secretary of the Court, the Executive Council and the Academic Council and shall exercise such powers and perform such duties as may be prescribed by the Statutes.

(6) There shall be a Finance Officer who shall be the Secretary of the Finance Committee and exercise such powers and perform such duties as may be prescribed by the Statutes.

(7) There shall be such other officers as provided for in the Statutes.

9. *Authorities of the University.*— The authorities of the University shall be the Court, the Executive Council, the Academic Council, the Schools of Studies, the Faculties, the Council of Students' Affairs, the Finance Committee and such other

authorities as may be declared by the Statutes to be authorities of the University.

10. *The Court.*— (1) The Court shall be the supreme authority of the University, and its constitution and the terms of office of its members shall be prescribed by the Statutes.

(2) The Court shall have the power to review the acts of the Executive Council and the Academic Council (save when these authorities have acted in accordance with the powers conferred upon them under this Act, the Statutes or the Ordinances) and shall exercise all the powers of the University not otherwise provided for by this Act or the Statutes.

11. *The Executive Council.*— (1) The Executive Council shall be the executive body of the University, and its constitution and the terms of office of its members, other than *ex-officio* members, shall be prescribed by the Statutes.

(2) It shall be incharge of the general management and administration (including the revenue and property) of the University.

12. *Academic Council.*—(1) The Academic Council shall be the academic body of the University, and its constitution and the terms of office of its members other than *ex-officio* members, shall be prescribed by the Statutes.

(2) The Academic Council shall, subject to the provisions of this Act, the Statutes and the Ordinances, have the control and general regulation, and be responsible for the maintenance, of standards of instruction, education and examination within the University, and shall exercise such other powers and perform such other duties as may be conferred or imposed upon it by the Statutes.

13. *Statutes.*— Subject to the provisions of this Act, the Statutes may provide for all or any of the following matters, namely:—

(*a*) the constitution, powers and duties of the authorities and other bodies of the University, the manner of appointment of members thereof and other matters connected therewith;

(*b*) the procedure of appointment, terms and conditions of service and the powers and duties of the employees of the University;

(*c*) the administration of the University, the establishment and abolition of Faculties, Colleges, Institutions and Halls, grant and withdrawal of affiliation and recognition to them, the institution of Fellowships, Awards and the like, the conferment of degrees, diplomas and certificates; and

(*d*) any other matter which is necessary for the proper and effective management and conduct of the affairs of the University and which by this Act is to be or may be provided by the Statutes.

14. *Statutes how made.*— (1) The first Statutes shall be framed by the Central Government with the previous approval of the Visitor and a copy of the same shall be laid, as soon as may be, before each House of Parliament.

(2) The Executive Council may, from time to time, make new or additional Statutes or may amend or repeal the Statutes in the manner hereafter in this section provided:

Provided that the Executive Council shall not make any Statute or any amendment of a Statute affecting the status, powers or constitution of any existing authority of the University until such authority has been given an opportunity of expressing an opinion on the proposal, and any opinion so expressed shall be in writing and shall be considered by the Executive Council.

(3) Every new Statute or addition to the Statutes or any amendment or repeal of a Statute shall require the previous approval of the Visitor who may assent thereto or withhold assent or remit to the Executive Council for consideration.

(4) A new Statute or a Statute amending or repealing an existing Statute shall have no validity unless it has been assented to by the Visitor.

15. *Ordinances.*— (1) Subject to the provisions of this Act and the Statutes, the Ordinances may provide for all or any of the following matters, namely:—

(*a*) the admission of students, the courses of study and the fees therefor, the qualifications pertaining to degrees, diplomas. certificates and other academic distinctions, the conditions for the grant of Fellowships, Awards and the like;

(*b*) the conduct of examinations, including the terms of office and appointment of examiners and others, the conditions of residence of students and their general discipline;

(*c*) the general management, supervision and inspection of Faculties, colleges and other institutions recognised by, or affiliated to the University; and

(*d*) any other matter which by this Act or the Statutes is to be or may be provided by the Ordinances.

(2) The Ordinances may be amended, repealed or added to at any time by the Executive Council.

16. *Regulations.*— The authorities of the University may make Regulations consistent with this Act, the Statutes and the Ordinances for the conduct

of their own business and that of the committees appointed by them and not provided for by this Act, Statutes or the Ordinances in the manner prescribed by the Statutes.

17. *Annual report.*— (1) The Annual Report of the University shall be prepared under the direction of the Executive Council and shall be submitted to the Court on or before such date as may be prescribed by the Statutes and shall be considered by the Court at its annual meeting.

(2) The Court may communicate their comments thereon to the Executive Council.

18. *Audit of accounts.*— (1) The accounts of the University shall, once at least in every year and at intervals of not more than fifteen months, be audited by the Comptroller and Auditor-General of India, or any person authorised by him in this behalf.

(2) The accounts, when audited shall be published in the Gazette of India, and a copy of the accounts together with the audit report shall be submitted by the University to the Visitor and to the Court.

19. *Disputes as to constitution of University authorities and bodies* — If any question arises whether any person has been duly elected or appointed as, or is entitled to be, a member of any authority or other body of the University, the matter shall be referred to the Chancellor whose decision thereon shall be final.

20. *Constitution of committees.*—Where any authority of the University is given power by this Act or the Statutes to appoint committees, such committees shall, save as otherwise provided, consist of members

of the authority concerned and of such other persons (if any) as the authority in each case may think fit.

21. *Filling of casual vacancies.*—All casual vacancies among the members (other than *ex-officio* members) of any authority or other body of the University, shall be filled, as soon as conveniently may be, by the person or body who appointed, elected or co-opted the member whose place has become vacant, and the person appointed, elected or co-opted to a casual vacancy shall be a member of such authority or body for the residue of the term for which the person whose place he fills would have been a member.

22. *Proceedings of University authorities and bodies not invalidated by vacancies.*— No act or proceedings of any authority or other body of the University shall be invalidated merely by reason of the existence of a vacancy or vacancies among its members.

23. *Removal of difficulties.*—If any difficulty arises in giving effect to the provisions of this Act, the Central Government may by order publish in the Official Gazette, make such provisions not inconsistent with the purposes of this Act, as appear to it to be necessary or expedient for removing the difficulty.

24. *Transitional provisions,* —Notwithstanding anything contained in this Act:—

(*a*) the first Chancellor, members of the Court, the Executive Council and the Academic Council shall be nominated by the Central Government and shall hold office for a period of three years;

(*b*) the first Vice-Chancellor shall be appointed by the Visitor and he shall hold office for a period of five years.

25. *Amendment of Act 3 of 1922* — In the Delhi University Act, 1922, –

(*a*) for sub-section (*1*) of section 5, the following sub-section shall be substituted, namely:—

"(1) Save as otherwise provided in this Act or by or under the Jawaharlal Nehru University Act, 1964, the powers of the University conferred by or under this Act [other than those conferred by sub-clause (*d*) of clause (*2*) of section *4*] shall not extend beyond the areas specified in the second Schedule and no educational institution beyond those limits shall be associated with, or admitted to any privileges of, the University:

Provided that the institution known as the Maulana Azad Medical College shall continue to be subject to the powers and jurisdiction of the University.";

(*b*) for the word "Schedule", wherever it occurs, the words "First Schedule" shall be substituted, and after the First Schedule, the following Schedule shall be inserted namely; –

"THE SECOND SCHEDULE

(*See* Section 5)

The area of the Union territory of Delhi falling to the north of the line starting from the junction of the Rohtak Road with the boundary of the Union territory of Delhi, going along Rohtak Road towards east up to its junction with the New Rohtak Road, then along the New Rohtak Road, towards the east up to its junction with Rani Jhansi Road, then along Rani Jhansi Road towards south up to its junction with Deshbandhu Gupta Road, then along Deshbandhu Gupta Road towards east up to its junction with Circular Road near Ajmeri Gate, then towards the east following the course of Circular Road up to its junction with Mathura Road, then towards east along the Rajghat Road leading to the Power House up to its junction with river Jumna, then following the course of Jumna down south up to its junction with the boundary of the Union territory of Delhi."

FINANCIAL MEMORANDUM

Clause 3 of the Bill contemplates the establishment of a University in Delhi by the name of Jawaharlal Nehru University. Clause 4 of the Bill specifies the various powers of the University, Clause 8 deals with the officers of the University and clause 9 with the authorities thereof. The University will provide facilities for the Post Graduate teaching in Humanities and Sciences. It will, therefore, be necessary to make provision for acquisition and development of land required for the various buildings of the University. The University buildings will comprise administrative blocks, Humanities and Science blocks, library, staff quarters, hostels and other miscellaneous buildings like convocation hall, etc. On the basis of our experience of the expenditure incurred at the Delhi University and the likely stress on Post Graduate Scientific and Technological studies at the proposed University, it is anticipated that the total capital expenditure will be about Rs. 9 crores. The ultimate recurring expenditure on the basis that it will cater to a population of 14,000 students will be about one crore of rupees per annum. Preliminary expenditure will be incurred during the Third Plan.

2. Appropriate funds required for the next and subsequent financial years for this project will be provided in the budgets of the Ministry of Education.

3. It will be necessary to incur expenditure directly on the University in the beginning for such purposes as acquisition and development of land, construction of essential administrative and academic buildings and appointment of nucleus staff. This is estimated to be Rs. 3 crores. This will be done through appropriate grants-in-aid to the new University from the Consolidated Fund. Thereafter the University will be entitled to get grants from the University Grants Commission.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Sub-clause (1) of clause 14 of the Bill empowers the Central Government to frame the first Statutes and the matters in respect of which the Central Government may frame Statutes relate, *inter alia* to:

(i) the constitution, powers and duties of the authorities and other bodies of the University and other matters connected therewith;

(ii) the procedure of appointment, terms and conditions of service and the powers and duties of the employees of the University;

(iii) the administration of the University, the establishment and abolition of colleges, institutions, etc., the grant and withdrawal of affiliation and recognition to them, the institution of Fellowships, Awards and the like and the conferment of degrees, diplomas and certificates.

2. These matters pertain to procedure, form or detail and as such, the delegation of legislative power is of a normal character.

STATEMENT OF OBJECTS AND REASONS

The influx of displaced persons after the partition of the country in 1947 resulted in the population of Delhi doubling itself in two years, rising from 7 lakhs in 1946-47 to 14½ lakhs in 1948-49. Since then also, for a variety of reasons, the population has increased at a rapid rate and at present it is estimated to be of the order of 26 lakhs. This abnormal rise in the population has inevitably brought a corresponding growth in the student population seeking admisson to colleges. The number of constituent and affiliated colleges of the University of Delhi, has increased from 7 in 1947-48 to 31 in 1963-64, and the enrolment of students in the University and its colleges from 4,232 to 28,000 in the same period. The number of students seeking admission to colleges is increasing by about 2,000 every year with the result that the problem of finding additional accommodation for the increasing number of students each year has assumed serious proportions.

2. In 1960, the University Grants Commission observed that the Delhi University was growing into an unwieldy and cumbersome institution and that it would be desirable to set up another University in New Delhi to enable the present University of Delhi to arrest dilution of its academic and research standards and to develop on its own distinctive lines as envisaged at the time of its inception.

3. The University of Delhi also strongly supported the proposal both on administrative and academic grounds. The University authorities emphasised that because of the long distances and the mounting enrolment, not only had the University become too large to be managed efficiently but its academic standards were also in danger of serious deterioration.

They, therefore, strongly recommended that a New University should be set up in Delhi as early as possible.

4. The growth of new knowledge in recent years and the significant advancement of learning in various academic fields all over the world have brought into bold relief the inadequacy of the present arrangements in the country. It is being increasingly realised that the country's social, economic and cultural development depends in a large measure upon the quality, variety and extent of higher education and research in the Universities.

5. In order to make adequate provision for the large and increasing student population of Delhi for education of the highest quality and for the advancement of knowledge and research, it is proposed to establish a University in New Delhi to be named after the late Jawaharlal Nehru. The proposed University will embody a unique synthesis of the humanities, the sciences and technology worthy of the great son of India after whom it is being named and thus perpetuate the memory of the many-sided genius of the late Prime Minister.

6. The present Bill seeks to give effect to the above proposal.

M. C. CHAGLA.

NEW DELHI,
The 18th December, 1964.

WD 883—GBPG—5500—23-8-1965.

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No LAW 71 LCA 65, Bangalore, dated the 22nd September 1965.

Ordered that the Indian Works of Defence (Amendment) Bill, 1965 (Central Bill 48 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 23rd August, 1965 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
13 I/c. *Under Secy. to Govt., L. D.*

LOK SABHA

The following Bill was introduced in Lok Sabha on the 23rd August, 1965:—

BILL NO. 48 OF 1965

Bill further to amend the Indian Works of Defence Act, 1903.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. *Short title.*— This Act may be called the Indian Works of Defence (Amendment) Act, 1965.

2. *Amendment of Act 7 of 1903.*—In the Indian Works of Defence Act, 1903,—

(*i*) for sub-section (2) of section 1, the following sub-section shall be substituted, namely:—

"(2) It extends to the whole of India.";

(ii) in Part I, after section 2, the following section shall be inserted, namely: —

"2A. *Construction of references to laws not in force, or any functionary not in existence, in any area.*—Any reference in this Act to any law which is not in force in any area or any reference therein to any functionary not in existence in any area shall, in relation to that area, be construed as a reference to the corresponding law, if any, in force, or to the corresponding functionary, if any, in existence, in that area.".

STATEMENT OF OBJECTS AND REASONS

The Indian Works of Defence Act, 1903 (7 of 1903) provides for the imposition of restrictions upon the use and enjoyment of land in the vicinity of works of defence in order that such land may be kept free from buildings and other obstructions. The Act at present does not extend to some areas such as the territories which immediately before the 1st November, 1956, were comprised in Part B States. Hence it is not possible to impose restrictions which may be considered necessary upon the use and enjoyment of land around such defence works located in those territories. It is, therefore, proposed to amend the Act so as to make its provisions applicable to the whole of India including the areas to which it does not at present extend.

Y. B. CHAVAN

PRESIDENTS RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. F. 13(6)/59/D GS-I) dated the 27th July, 1965 from Shri Y. B. Chavan, Minister of Defence to the Secretary Lok Sabha]

The President having been informed of the subject-matter of the proposed Bill further to amend the Indian Works of Defence Act, 1903, has in pursuance of clause (3) of article 117 of the Constitution of India, recommended to the Lok Sabha the consideration of the Bill.

FINANCIAL MEMORANDUM

The Indian Works of Defence Act, 1903 (7 of 1903) provides for payment of compensation to persons interested in the land in the vicinity of any work of defence on account of the imposition of restrictions on the use and enjoyment of such land. It is not possible to indicate at this stage, even approximately, the amount of compensation, if any, required to be paid in respect of landsaround the defence works already existing in the territories which immediately before the lst November, 1956, were comprised in Part B States, as the assessment of such amount will have to be made by the local civil authorities concerned after issue of necessary Gazette notifications declaring clearance zones under section 3 of the Act. However, in case the local military authorities consider that the existing obstructions in such lands may stand, the amount of compensation to be paid might not be very large.

S. L. SHAKDHER,
Secretary.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 68 LCA 65, dated Bangalore, 22nd September 1965.

Ordered that the Employees' State Insurance (Amendment) Bill, 1965 (Central Bill No. 50 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 18th August, 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
Under Secy. to Govt., I. c. *L. D.*

LOK SABHA

The following Bill was introduced in Lok Sabha on the 18th August, 1965 :—

BILL No. 50 OF 1965

A Bill further to amend the Employees' State Imsurance Act, 1948.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows :—

1. *Short title, commencement and application.*—(*1*) This Act may be called the Employees' State Insurance (Amendment) Act, 1965.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act and for different States or for different parts thereof.

(3) When the provisions of this Act amending the provisions of the Employees' State Insurance Act, 1948 (34 of 1948) (hereinafter referred to as the principal Act) relating to sickness and maternity benefits come into force in any State or any part of a State, then, those provisions of the principal Act as amended by this Act shall apply to any employee in that State or part only on (and not before) the expiry of the contribution period of such employee in force on the date of the coming into force of the said provisions of this Act.

2. *Amendment of section 2.*—In section 2 of the principal Act,—

(1) after clause (6), the following clause shall be inserted, namely:—

'(6*A*) "dependant" means any of the following relatives of a deceased insured person, namely:—

(*i*) a widow, a minor legitimate or adopted son, an unmarried legitimate or adopted daughter or a widowed mother; and

(*ii*) if wholly dependent on the earnings of the insured person at the time of his death, a legitimate or adopted son or daughter who has attained the age of eighteen years and is infirm;

(*iii*) if wholly or in part dependent on the earnings of the insured person at the time of his death,—

(*a*) a parent other than a widowed mother,

(*b*) a minor illegitimate son, an unmarried illegitimate daughter or a daughter legitimate or adopted or illegitimate if married and a minor or if widowed and a minor,

(*c*) a minor brother or an unmarried sister or a windowed sister if a minor,

(*d*) a widowed daughter-in-law,

(*e*) a minor child of a pre-deceased son,

(*f*) a minor child of a pre-deceased daughter where no parent of the child is alive, or (*g*) a paternal grand-parent if no parent of the insured person is alive;';

(2) for clause (8), the following clause shall be substituted, namely:—

'(8) "employment injury" means a personal injury to an employee caused by accident or an occupational disease arising out of and in the course of his employment, being an insurable employment, whether the accident occurs or the occupational disease is contracted within or outside the territorial limits of India;';

(3) in clause (9),—

(*a*) for the words " but does not include— the following words shall be substituted, namely:—

"and includes any person employed for wages on any work connected with the administration of the factory or establishment or any part, department or branch thereof or with the purchase of raw materials for, or the distribution or sale of the products of, the factory or establishment; but does not include—"

(*b*) for sub-clause (*b*), the following sub-clause shall be substituted, namely:—

(*b*) "*any person so employed whose wages (excluding remuneration for overtime work) exceed five hundred rupees a month*:

Provided that an employee whose wages (excluding remuneration for overtime work) exceed five hundred rupees a month at any time after (and not before) the beginning of the contribution period, shall continue to be an employee until the end of that period;";

(4) in clause (11), the words " where the insured person is a male," shall be omitted;

(5) in clause (12),—

(*a*) in the first paragraph,—

(*i*) for the words "are working or were working", the words " are employed or were employed for wages " shall be substituted;

(*ii*) for the words and figures " Indian Mines Act, 1923", (4 of 1923) the words and figures "Mines Act, 1952" (35 of 1952) shall be substituted;

(*b*) in the second paragraph, the following shall be added at the end, namely :—

"and includes a factory which is engaged for a period not exceeding seven months in a year—

(*a*) in any process of blending, packing or repacking of tea or coffee; or

(*b*) in such other manufacturing process as the Central Government may, by notification in the Official Gazette, specify";

(6) after clause (13), the following clause shall be inserted, namely :—

'(13A) "insurable employment" means an employment in a factory or establishment to which this Act applies;';

(7) after clause (14), the following clauses shall be inserted, namely :—

'(14A) "managing agent" means any person appointed or acting as the representative of another person for the purpose of carrying on such other person's trade or business, but does not include an individual manager subordinate to an employer;

(14B) "mis-carriage" means expulsion of the contents of a pregnant uterus at any period prior to or during the twenty-sixth week of pregnancy but does not include any mis-carriage, the causing of which is punishable under the Indian Penal Code (45 of 1860);';

(8) after clause (15), the following clause shall be inserted, namely :—

'(15A) "permanent partial disablement" means such disablement of a permanent nature, as reduces the earning capacity of an employee in every employment which he was capable of undertaking at the time of the accident resulting in the disablement:

Provided that every injury specified in Part II of the Second Schedule shall be deemed to result in permanent partial disablement;

(15B) "permanent total disablement" means such disablement of a permanent nature, as incapacitates an employee for all work which he was capable of performing at the time of the accident resulting in such disablement;

Provided that permanent total disablement shall be deemed to result from every injury specified in Part I of the Second Schedule or from any combination of injuries specified in Part II thereof where the aggregate percentage of the loss of earning capacity, as specified in the said Part II against those injuries, amounts to one hundred per cent. or more ;";

(9) in clause (21), for the word "work" occurring at the end, the words "doing the work which he was doing prior to or at the time of the injury" shall be substituted ;

(10) in clause (22), after the words "and includes", the words "any payment to an employee in respect of any period of authorised leave, lock-out, strike which is not illegal or lay-off and" shall be inserted ;

(11) for clause (24), the following clause shall be substituted, namely :—

> "(24) all other words and expressions used but not defined in this Act and defined in the Industrial Disputes Act, 1947 (14 of 1947), shall have the meanings respectively assigned to them in that Act.".

3. *Insertion of new section 2A.*—In Chapter I of the principal Act, after section 2, the following section shall be inserted, namely :—

> "2A. *Registration of factories and establishments.*—Every factory or establishment to which this Act applies shall be registered within such time and in such manner as may be specified in the regulations made in this behalf.".

4. *Amendment of section 4.*—In section 4 of the principal Act,—

(*a*) for clauses (*a*) and (*b*), the following clauses shall be substituted, namely :—

> "(*a*) a Chairman to be nominated by the Central Government ;
>
> "(*b*) a Vice-Chairman to be nominated by the Central Government ; ';

(*b*) in clause (*c*), the words "of whom at least three shall be officials of the Central Government" shall be omitted (*c*) in clause (*h*), the word "and" occurring at the end shall be omitted;

(*d*) for clause (*i*), the following clauses shall be substituted, namely :—

> "(*i*) three members of Parliament of whom two shall be members of the House of the People (Lok Sabha) and one shall be a member of the Council of States (Rajya Sabha) elected respectively by the members of the House of the People and the members of the Council of States; and
>
> (*j*) the Director of the Corporation, *ex-officio*.'.

5. *Amendment of section* 5.—In section 5 of the principal Act,—

(*a*) in sub-section (1), for the words, brackets, letters and figure "the *ex officio* members and members referred to in clauses (*c*), (*d*) and (*e*) of section 4,", the words, brackets, letters and figure ('the members referred to in clauses (*a*), (*b*), (*c*), (*d*) and (*e*) of section 4 and the *ex-officio* member," shall be substituted;

(*b*) in sub-section (2), for the brackets, letters and word "(*c*), (*d*, and *e*)", the brackets, letters and word "(*a*), (*b*), (*c*), (*d* and (*e*)" shall be substituted.

6. *Substitution of new section for section* 7.—For section 7 of the principal Act, the following section shall be substituted, namely :—

> "7. *Authentication of orders, decisions, etc.*—All orders and decisions of the Corporation shall be authenticated by the signature of the Director General of the Corporation and all other instruments issued by the Corporation shall be authenticated by the signature of the Director General or such other officer of the Corporation as may be authorised by him.".

7. *Amendment of section* 8.—In section 8 of the principal Act,—

(*a*) in clause (*b*), for the words "being officials of the Central Government, nominated by that Government", the words "nominated by the Central Government" shall be substituted;

(*b*) in clause (*c*),—

(*i*) for the word "six", the word "eight shall be substituted;

(*ii*) in sub-clauses (*ii*) and (*iii*), for the word "two", the word "three" shall be substituted;

(*c*) after clause (*c*), the following clause shall be inserted, namely:—

"(*d*) the Director General of the Corporation, *ex officio*."

8. *Amendment of section 10.*—In section 10 of the principal Act, to sub-section (2), the following proviso shall be added namely:—

"Provided that a member of the Medical Benefit Council shall, notwithstanding the expiry of the said period of four years continue to hold office until the nomination of his successor is notified.".

9. *Amendment of section 12.*—In section 12 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) A person referred to in clause (*i*) of section 4 shall cease to be a member of the Corporation when he ceases to be a member of Parliament."

10. *Amendment of section 16.*—In section 16 of the principal Act, in sub-section (3), after the words "the Central Government", the words "and of the Corporation" shall be inserted.

11. *Amendment of section 17.*—In section 17 of the principal Act,—

(*a*) in sub-section (3), for the worbs "posts carrying a maximum monthly pay of five hundred rupees and above", the words and figures "posts corresponding to Class I or Class II posts under the Central Government" shall be substitutd;

(*b*) after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) If any question arises whether a post corresponds to a Class I or Class II posts under the Central Government, the question shall be referred to thatGovernment whose decision thereon shall be final.".

12. *Omission of section 21 and 31.*—Sections 27 and 31 of the principal Act shall be omitted.

13. *Amendment of section 36.*—In section 36 of the principal Act, after the words "the audited accounts of the Corporation", the words and figures "together with the auditor's report threeon under section 34" shall be inserted.

14. *Amendment of section 41.*—In section 41 of the principal Act, the *Explanation* occurring at the end shall be omitted.

15. *Amendment of section 42.*—In section 42 of the principal Act,—

(*a*) in sub-section (*1*), for the words "one rupee", the words "one rupee and fifty paise" shall be substituted;

(*b*) in sub-section (2), for the words "during the whole or part of which an employee is employed" occurring at the end, the words "in respect of the whole or part of which wages are payable to the employee and not otherwise" shall be substituted;

(c) sub sections (4) and (5) shall be omitted.

16. *Amendment of Section 43.*—In section 43 of the principal Act, after clause (b), the following clause shall be inserted, namely :—

> "(*bb*) the date by which evidence of contributions having been paid is to be received by the Corporation ;".

17. *Insertion of new sections 45A and 45B*—In Chapter IV of the principal Act, after section 45, the following sections shall be inserted, namely :—

> "45A *Determination of contributions in certain cases.*—(1) Where in respect of a factory or establishment no returns, particulars, registers or records are submitted, furnished or maintained in accordance with the provisions of section 44 or any Inspector or other official of the Corporation referred to in sub-section (2) of section 45 is obstructed by the principal or immediate employer or any other person, in exercising his functions or discharging his duties under section 45, the Corporation may on the basis of information available to it, by order, determine the amount of contributions payabel in respect of the employees of that factory or establishment.

(2) An order made by the Corporation under sub-section (*1*) shall be sufficient proof of the claim of the Corporation under section 75 or for recovery of the amount determined by such order as an arrear of land revenue under section 45B.

45B. *Recovery of contributions.*—Any contribution payable under this Act may be recovered as an arrear of land revenue.".

18. *Amendment of section 46.*—In section 46 of the principal Act, in sub-section (*1*),—

(*a*) for the words "or, as the case may be, their dependants the words "their dependants or the persons hereinafter mentioned, as the case may be," shall be substituted;

(*b*) in clause (*a*), after the words "medical practitioner". the following words shall be inserted, namely:—

"or by any other person possessing such qulifications and experience as the Corporation may, by regulations, specify in this behalf";

(*c*) for clause (*b*), the following clause shall be substituted namely :—

"(*b*) periodical payments to an insured woman in case of confinement or mis-carriage or sickness arising out of pregnancy, confinement, premature birth of child or mis-carriage, such woman being certified to be eligible for such payments by an authority specified in this behalf by the regulations (hereinafter referred to as maternity benefit);";

(*d*) in clause (*d*), the word "and" occurring at the end shall be omitted ;

(*e*) in clause (*e* the word "and" shall be inserted at the end and after that clause, the following clause shall be inserted, namely :—

"(*f*) payment to the eldest surviving member of the family of an insured person who has died, towards the expenditure on the funeral of the deceased insured person, or, where the insured person did not have a family or was not living with his family at the time of his death, to the person who actually incurs the expenditure on the funeral of the deceased insured person (to be known as funeral benefit) :

Provided that the amount of such payment shall not exceed one hundred rupees and the claim for such payment shall be made within three months of the death of the insured person or within such extended period as the Corporation or any officer or authority authorised by it in this behalf may allow.''.

19. *Substitution of new section for section 47.*—For section 47 of the principal Act, the following section shall be substituted, namely :—

"47. *When person eligible for sickness benefit.*—A person shall be qualified to claim sickness benefit for sickness occurring during any benefit period, if during the corresponding contribution period, weekly contributions in respect of him were payable for not less than thirteen weeks :

Provided that a person shall be qualified to claim sickness benefit for sickness occurring during the first benefit period, if during the corresponding contribution period weekly contributions in respect of him were payable for not less than half the number of weeks of that contribution period, ending in that period.".

20. *Omission of section 48.*—Section 48 of the principal Act shall be omitted.

21. *Amendment of section 49.*—In section 49 of the principal Act,—

(*a*) for the words "Second Schedule" the words "First Schedule" shall be substituted ;

(*b*) in the first proviso, for the words" for an initial waiting period of two days", the words "for the first two days of sickness" shall be substituted

(*c*) for the second proviso, the following proviso shall be substituted, namely:—

"Provided further that sickness benefit shall not be paid to any person for more than fifty-six days in any two consecutive benefit periods.".

22. *Amendment of section 50.*—Insection 50 of the principal Act,—

(*a*) in sub-section (1),—

(*i*) for the words and figures "two-thirds of the number of weeks during which she shall be deemed to have been available for employment within the meaning of section 48, subject to a minimum of twelve contributions", the words " thirteen weeks" shall be substituted ;

(*ii*) for the proviso, the following proviso shall be substituted, namely :—

"Provided that an insured woman shall be qualified to claim maternity benefit for a confinement occurring or expected to occur during the first benefit period, if during the corresponding contribution period weekly contributions in respect of her were payable for not less than half the number of weeks of that contribution period ending in that period.";

(*b*) in sub-section (2),—

(*i*) for the word, brackets and figure "sub-section (3)", the words "the First Schedule" shall be substituted;

(*ii*) the following proviso shall be inserted at the end, namely:—

"Provided that where the insured women dees during her confinement or during the period of six weeks immediately following her confinement for which she is entitled to maternity benefit, leaving behind in either case the child, maternity benefit shall be paid for the whole of that period but if the child also dies during the said period, then, for the days up to and including the day of the death of the child, to the person nominated by the insured woman in such manner as may be specified in the regulations and if there is no such nominee to her legal representative." ;

(c) for sub-section (3), the following sub-sections shall be substituted, namely :—

" (3) An insured woman who is qualified to claim maternity benefit in accordance with sub-section (1) shall, in case of mis-carriage, be entitled, on production of such proof as may be required under the regulations, to maternity benefit at the rates specified in the First Schedule for all days on which she does not work for remuneration during a period of six weeks immediately following the date of her mis-carriage.

(4) An insured woman who is qualified to claim maternity benefit in accordance with sub-section (1) shall, in case of sickness arising out of pregnancy, confinement, premature birth of child or mis-carriage shall, on production of such proof as may be required under the regulations, be entitled, in addition to the maternity benefit payable to her under any other provisions of this Act for all days on which she does not work for remuneration, to maternity benefit at the rates specified in the First Schedule for all days on which she does not work for remuneration during an additional period not exceeding one month.".

23. *Substitution of new sections for section 51.*—For section 51 of the principal Act, the following sections shall be substituted, namely :—

'51. *Disablement benefit.*—Subject to the provisions of this Act and the regulations, if any,—

(*a*) a person who sustains temporary disablement for not less than three days (excluding the day of accident) shall be entitled to periodical payment for the period of such disablement in accordance with the provisions of the First Schedule ;

(*b*) a person who sustains permanent disablement, whether total or partial, shall be entitled to periodical payment for such disablement in accordance with the provisions of the First Schedule:

Provided that where permanent disablement, whether total or partial, has been assessed provisionally for a limited period or finally, the benefit provided under this clause shall be payable for that limited period or as the case may be, for life.

51 A. *Presumption as to accident arising in course of employment.*—For the purposes of this Act, an accident arising in the course of an insured person's employment shall be presumed, in the absence of evidence to the contrary. also to have arisen out of that employment.

51 B. *Accidents happening while acting in breach of regulations, etc.*—An accident shall be deemed to arise out of and in the course of an insured person's employment notwithstanding that he is at the time of the accident acting in contravention of the

provisions of any law applicable to him, or of any orders given by or on behalf of his employer or that he is acting without instructions from his employer, if—

(*a*) the accident would have been deemed so to have arisen had the act not been in contravention as aforesaid or without instructions from his employer, as the case may be, and

(*b*) the act is done for the purpose of and in connection with the employer's trade or business.

51 C. *Accidents happening while travelling in employers transport.*—(1) An accident happening while an insured person is, with the express or implied permission of his employer, travelling as a passenger by any vehicle to or from his place of work shall, notwithstanding that he is under no obligation to his employer to travel by that vehicle, be deemed to arise out of and in the course of his employment, if—

(*a*) the accident would have been deemed so to have arisen had been under such obligation; and

b) at the time of the accident, the vehicle—

(*i*) is being operated by or on behalf of his employer or some other person by whom it is provided in pursuance of arrangements made with his employer, and

(*ii*) is not being operated in the ordinary course of public transport service.

(2) In this section "vehicle" includes a vessel and an aircraft.

51D *Accidents happening while meeting emergency.*—An accident happening to an insured person in or about any premises at which he is for the time being employed for the purpose of his employ's trade or business shall be deemed to arised out of and in the course of his employment, if it happens while he is taking steps, on an actual or supposed emergency at those premises, to rescue, succour or protect persons who are, or are thought to be or possibly to be, injured or imperilled, or to avert or minimise serious damage to property.'

24. *Substitution of new sections for section 52.*—For section 52 of the principal Act, the following secttions shall substituted namely:—

'52 *Dependants benefit.*—(1) If an insured person dies as a result of an employment injury sustained as an employee under this Act, whether or not he was in receipt of any periodical payment for the temporary disablement in respect of the injury dependants' benefit shall be payable in accordance with the provisions of the First Schedule to his dependants specified in sub-clause (i) and sub clause (ii) of clause (6A) of section 2.

(2) In case the insured person dies without leaving behind him the dependants as aforesaid, the dependants' benefit shall be paid to the other dependants of the deceased in accordance with the provisions of the First Schedule.

Occupational disease.—52A. (1) If an employee employed in any employment specified in Part A of the Third Schedule contracts any disease specified therein as an occupational disease peculiar to that employment, of if an employee employed in the employment specified in Part B of that Schedule for a continuous period or not less than six months contracts any disease specified therein as an occupational disease peculiar to that employment or if an employee employed in any employment specified in Part C of that Schedule for such continuous period as the Corporation may specify in respect of each such employment, contracts any disease specified therein as an occupational disease peculiar to that employment the contracting of the disease shall, unless the contrary is proved, be deemed to be an "employment injury" arising out of and in the course of employment.

(2) (i) Where the Central Government or a State Government, as the case may be, adds any description of employment to the employments specified in Schedule III to the Workmen's Compensation Act, 1923 (8 of 1923) by virtue of the powers vested in it under sub-section (3) of section 3 of the said Act, the said description of employment and the occupational diseases specified under that sub-section as peculiar to that description of employment shall be deemed to form part of the Third Schedule.

(ii) Without prejudice to the provisions of clause (*i*), the Corporation after giving, by notification in the Official Gazette, not less than three months' notice of its intention so to do, may, by a like notification, add any description of employment to the employments specified in the Third Schedule and shall specify in the case of employments so added the diseases which shall be deemed for the purposes of this section to be occupational diseases peculiar to those employments respectively and thereupon the provisions of this Act shall apply, as if such diseases had been declared by this Act to be occupational diseases peculiar to those employments.

(3 Save as provided by sub-sections (1) and (2), no benefit shall be payable to an employee in respect of any disease unless the disease is directly attributable to a specific injury by accident arising out of and in the course of his employment.

(4) The provisions of section 51A shall not apply to the cases to which this section applies".

Substitution of new section for section 53.—25. For section 53 of the principal Act, the following section shall be substituted, namely:—

Bar against receiving or recovery of compensation or damages under any other law.

"53. An insured person or his dependants shall not be entitled to receive or recover, whether from the employer of the insured person or from any other person, any compensation or damages under the Workmen's Compensation Act, 1923, (8 of 1923) or any other law for the time being in force or otherwise, in respect of an employment injury sustained by the insured person as an employee under this Act.".

26. *Substitution of new sections for section 54.*—For section 54 of the principal Act, the following sections shall be substituted, namely :—

'54. *Determination of question of disablement.*—Any question—

(*a*) whether the relevant accident has resulted in permanent disablement ; or (*b*) whether the extent of loss of earning capacity can be assessed provisionally or finally ; or

(*c*) whether the assessment of the proportion of the loss of earning capacity is provisional or final ; or

(*d*) in the case of provisional assessment, as to the period for which such assessment shall hold good, shall be determined by a medical board constituted in accordance with the provisions of the regulations and any such question shall hereafter be referred to as the "disablement question"

54A. *References to medical boards and appeals to medical appeal tribunals and Employees' Insurance Courts.*—(1) The case of any insured person for permanent disablement benefit shall be referred by the Corporation to a Medical Board or determination of the disablement question and if on that or any subsequent reference, the extent of loss of earning capacity of the insured person is provisionally assessed, it shall again be so referred to the Medical Board not later than the end of the period taken into account by the provisional assessment.

(2) If the insured person or the Corporation is not satisfied with the decision of the Medical Board, the insured person or the Corporation may appeal in the prescribed manner and within the prescribed time to—

(*i*) the medical tribunal constituted in accordance with the provisions of the regulations with a further right of appeal in the prescribed manner and within the prescribed time to the Employees' Insurance Court, or

(*ii*) the Employees' Insurance Court directly .'.

27. *Substitution of new sections for section 55.*—For section 55 of the principal Act, the following sections shall be substituted, namely :—

"55. *Review of decisions by Medical Board or medical appeal tribunal.*—(1) Any decision under this Act of a Medical Board or a medical appeal tribunal may be reviewed at any time by the Medical Board or the medical appeal tribunal, as the case may be, if it is satisfied by fresh evidence that the decision was given in consequence of the non-disclosure or misrepresentation by the employee or any other person of a material fact (whether the non-disclosure or misrepresentation was or was not fraudulent).

(2) Any assessment of the extent of the disablement resulting from the relevant employment injury may also be reviewed by a medical board, if it is satisfied that since the making of the assessment there has been a substantial and unforeseen aggravation of the results of the relevant injury:

Provided that an assessment shall not be reviewed under this sub section unless the medical board is of opinion that having regard to the period taken into account by the assessment and the probable duration of the aggravation aforesaid, substantial injustice will be done by not reviewing it.

(3) Except with the leave of a medical appeal tribunal, an assessment shall not be reviewed under sub-section (2) on any application made less than five years, or in the case of a provisional assessment, six months from the date thereof and on such a review the period to be taken into account by any revised assessment shall not include any period before the date of the application.

(4) Subject to the foregoing provisions of this section, a medical board may deal with a case of review in any manner in which it could deal with it on an original reference to it, and in particular may make a provisional assessment notwithstanding that the assessment under review was final: and the provisions of section 54A shall apply to an application for review under this section and to a decision of a medical board in connection with such application as they apply to a case for disablement benefit under that section and to a decision of the medical board in connection with such case.

55A. *Review of dependants' benefit.*—(1) Any decision awarding dependants' benefit under this Act may be reviewed at any time by the Corporation f it is satisfied by fresh evidence that the decision was given in consequence of non-disclosure or misrepresentation by the claimant or any other person of a material fact (whether the non-disclosure or misrepresentation was or was not fraudulent) or that the decision is no longer in accordance with this Act due to any birth or death or due to the marriage, re-marriage or cesser of infirmity of, or attainment of the age of eighteen years by a claimant.

(2) Subject to the provisions of this Act, the Corporation may, on such review as aforesaid direct that the dependants' benefit be continued, increased, reduced or discontinued.".

28. *Insertion of new section 59A*.—After section 59 of the principal Act, the following section shall be inserted, namely:—

"59A. *Provision of medical benefit by the Corporation in lieu of State Government.*—(*1*) Notwithstanding anything contained in any other provision of this Act, the Corporation may, in consultation with the State Government, undertake the responsibility for providing medical benefit to insured persons and where such medical benefit is extended to their families, to the families of such insured persons in the State subject to the condition that the State Government shall share the cost of such medical benefit in such proportion as may be agreed upon between the State Government and the corporation.

(2) In the event of the Corporation exercising its power under sub-section (1), the provisions relating to medical benefit under this Act shall apply, so far as may be, as if a reference therein to the State Government were a reference to the Corporation.".

29. *Omission of sections 66 and 67*.—Sections 66 and 67 of the princpal Act shall be omitted.

30. *Amendment of section 71*.— In section 71 of the principal Act, for the words "If a person dies,, the words, brackets and figures "Except as provided in the proviso to sub-section (2) of section 50, if a person dies" shall be substituted.

31. *Omission of section 73H*.—Section 73H of the principal Act, shall be omitted.

32. *Amendment of section 75*.—In section 75 of the principal Act,—

(*a*) in sub-section (*1*),—

(*i*) for clause (*ee*), the following clause shall be substituted, namely:—

(*ee*) any direction issued by the Corporation under section 55A on a review of any payment of dependants, benefits, or"

(*ii*) clause (*f*) shall be omitted;

(*iii*) in clause (*g*), the following words shall be inserted at the end, namely:—
"or any other matter required to be or which may be decided by the Employees' Insurance Court under this Act";

(*iv*) after the words "such question or dispute" the words, brackets, figure and letter "subject to the provisions of sub-section (2*A*)" shall be inserted;

(b) in sub-section (2),—

(*i*) for the words "The following claims", the words, brackets, figure and letter "Subject to the provisions of sub-section (2*A*), the following claims" shall be substituted;

(*ii*) clause (c) shall be omitted;

(*c*) after sub-section (2), the following sub-section shall be inserted, namely:—

"(2*A*) If in any proceedings before the Employees' Insurance Court a disablement question arises and the decision of a medical board or a medical appeal tribunal has not been obtained on the same and the decision of such question is necessary for the determination of the claim or question before the Employees' Insurance Court, that Court shall direct the Corporation to have the question decided by this Act, and shall thereafter proceed with the determination of the claim or question before it in accordance with the decision of the medical board or the medical appeal tribunal, as the case may be, except where an appeal has been filed before the Employees' Insurance Court under sub section (2) of section 54A in which case the Employees' Insurance Court may itself determine all the issues arising before it."

(*d*) in sub-section (3), for the words "the Employees' Insurance Court", the words "a Medical Board, or by a Medical Appeal Tribunal or by the Employees' Insurance Court" shall be substituted.

33. *Amendment of section* 77.—In section 77 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:

"(*1A*) Every such application shall be made within a period of three years from the date on which the cause of action arose.

Explanation.—For the purpose of this sub-section,—

(*a*) the cause of action in respect of a claim for benefit shall not be deemed to arise unless the insured person or in the case of dependants' benefit, the dependants of the insured person claims or claim that benefit in accordance with the regulations made in that behalf within a period of twelve months after the claim became due or, within such further period as the Employees' Insurance Court may allow on grounds which appear to it to be reasonable ;

(*b*) the cause of action in respect of a claim by the Corporation for recovering contributions from the principal employer or a claim by the principal employer for recovering contributions from an immediate employer shall not be deemed to arise till the date by which the evidence of contributions having been paid is due to be received by the Corporation under the regulations."

34. *Omission of Section 80.*—Section 80 of the principal Act shall be omitted.

35. *Amendment of Section 86.*—In Section 86 of the principal Act, in sub-section (1), for the words "Central Government", the words "Director General of the Corporation" shall be substituted.

36. *Amendment of Section 90.*—In section 90 of the principal Act,—

(*a*) after the words "The appropriate Government may,", the words "after consultation with the Corporation," shall be inserted ;

(*b*) after the words "local authority", the words "from the operation of this Act" shall be inserted.

37. *Insertion of new section 91A*—After section 91 of the principal Act, the following section shall be inserted, namely :—

"91A. *Exemptions to be either prospective or retrospective.*—Any notification granting exemption under section 87, section 88, section 90 or section 91 may be issued so as to take effect either prospectively or retrospectively on such date as may be specified therein.".

38. *Amendment of section 95.*—In section 95 of the principal Act,—

(*a*) in sub-section (1), after the words "the Central Government may,", the words "after consultation with the Corporation and" shall be inserted ;

(*b*) in sub-section (2), after clause (*e*), the following clause shall be inserted, namely :—

"(*ee*) the manner in which and the time within which appeals may be filed to Medical Appeal Tribunals or Employees' Insurance Courts ;";

(*c*) after sub-section (3), the following sub-section shall be inserted, namely :—

"(4) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall therafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.".

39. *Amendment of section 96.*—In section 96 of the principal Act, in sub-section (1), after the words "The State Government may,", the words "after consultation with the Corporation and" shall be inserted,

40. *Amendment of section 97.*—In section 97 of the principal Act, in sub-section (2),—

"(*a*) after clause (*i*), the following clause shall be inserted namely :—

"(*ia*) the time within which and the manner in which a factory or establishment shall be registered ;" ;

(*b*) after clause (*iii*), the following clause shall be inserted namely :—

"(*iiia*) the levy of interest at a rate not exceeding six per cent per annum on contributions due but not paid ;";

(*c*) for clause (*vi*), the following clause shall be substituted, namely :—

"(*vi*) the method of determining whether an insured person is suffering from one or more of the diseases specified in the Third Schedule ;";

(*d*) in clause (viii), for the words "and the form in which", the words "and the form and manner in which" shall be substituted ;

(*e*) after clause (xii), the following clauses shall be inserted, namely ;

"(*xiia*) specifying the authority competent to give certificate of eligibility for maternity benefit ;

(*xiib*) the manner of nomination by an insured woman for payment of maternity benefit in case of her or her child's death ;

(*xiic*) the production of proof in support of claim for maternity benefit or additional maternity benefit ;";

(*f*) after clause (xvi), the following clauses shall be inserted, namely :—

"(*xvia*) the qualifications and experience which a person should possess for giving certificate of sickness ;

(*xvib*) the constitution of medical boards and medical appeal tribunals ;".

41. *Insertion of new section 99A.*—After section 99 of the principal Act, the following section shall be inserted, namely:—

> "99A. *Power to remove difficulties.*—(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions or give such directions, not inconsistent with the purposes of this Act, as appears to it to be necessary or expedient for removing the difficulty.
>
> (2) Any order made under this section shall have effect notwithstanding anything inconsistent therewith in any rules or regulations made under this Act.".

42. *Substitution of new Schedules for Schedules I and II.*—For Schedules I and II of the principal Act, the following Schedules shall be substituted, namely:—

THE FIRST SCHEDULE

(*See* sections 39, 49, 50, 51 and 52)

1. The amount of weekly contribution payable in a contribution period in respect of an employee shall be calculated with reference to the average daily wages during the first wage period in respect of that employee ending in such contribution period:

Provided that where an employee changes his employment during the currency of the contribution period, contributions in respect of him shall continue to be calculated during the said contribution period at the rate at which they were being paid in the first employment except when the employee does not disclose the earlier employment to the second or subsequent employer in which case they may be calculated with reference to the average daily wages during the first wage period in the latter employment.

2. The average daily wages shall be—

(*a*) in respect of an employee who is employed on time-rate basis, the amount of wages which would have been payable to him for the complete wage period had he worked on all the working days in that wage period, divided by 26 if he is monthly rated, 13 if he is fortnightly rated, 6 if he is weekly rated and 1 if he is daily rated;

(*b*) in respect of an employee employed on any other basis, the amount of wages earned during the first complete wage period in the contribution period divided by the number of days in full or part for which he worked for wages in that wage period :

Provided that where an employee receives wages without working on any day during such wage period, he shall be deemed to have worked for 26, 13, 6 or 1 days or day if the wage period be a month, a fortnight, a week or a day respectively.

Explanation I.—Where any night shift continues beyond midnight, the period of the night shift after midnight shall be counted for reckoning the days worked as part of the day preceding.

Explanation II.—"Wage period" means the period in respect of which wages are ordinarily payable whether in terms of the contract of employment, express or implied or otherwise.

3. (*a*) For the purpose of fixing the amount of weekly contribution payable, employees shall be divided into nine groups on the basis of their average daily wages ascertained in the manner specified in paragraph 2.

(b) The employee's contribution and employer's contribution payable in respect of the group of employees specified in the first column of the Table below shall be at the rates respectively specified in the corresponding entries in the second and third columns thereof.

(c) The daily rate of benefit (hereinafter referred to as the "standard benefit rate") in respect of the group of employees specified in the first column of the Table below shall be the amount respectively specified in the corresponding entry in the fifth column thereof:

Provided that where a person has been in more than one of the groups as specified in the first column of the said Table during a contribution period, the standard benefit rate in respect of him shall be the amount specified in the fifth column corresponding to the lowest of such groups.

TABLE

Group of Employees whose average daily wages are	Employees' weekly contribution (recoverable from employees)	Employer's weekly contribution	Total weekly contribution (employee's and employer's contribution)	Corresponding daily standard benefit rate
1	2	3	4	5
	P	P	P	P
1 Below Re. 1	Nil	45	45	45
2 Re. 1 and above but below Rs 1·50	Nil	45	45	65
3 Rs. 1·50 and above but below Rs. 2	25	50	75	90
4 Rs. 2 and above but below Rs. 3	40	80	120	130
5 Rs. 3 and above but below Rs. 4	50	100	150	175
6 Rs. 4 and above but below Rs. 6	70	140	210	250
7 Rs 6 and above but below Rs. 8	95	190	285	350
8 Rs 8 and above but below Rs. 15	125	250	375	500
9 Rs 15 and above	175	350	525	850

4. The daily rate of sickness benefit in respect of a person during any benefit period shall be the standard benefit rate corresponding to the average daily wages of that person during the corresponding contribution period.

5. The daily rate of maternity benefit payable in respect of confinement occurring or expected to occur during any benefit period, shall be equal to twice the standard benefit rate corresponding to the average daily wages in respect of the insured woman during the corresponding contribution period.

6. (*a*) The daily rate of disablement and dependants' benefit shall be the rate, twenty-five per cent, more than the standard benefit rate rounded to the next higher multiple of five paise corresponding to the average daily wages in the contribution period corresponding to the benefit period in which the employment injury occurs.

(*b*) Where an employment injury occurs before the commencement of the first benefit period in respect of a person, the daily rate of disablement and dependants' benefit shall be—

(*i*) where a person sustains employment injury after the expiry of the first wage period in the contribution period in which the injury occurs, the rate, twenty five per cent, more than the standard benefit rate rounded to the next higher multiple of five paise corresponding to the wage group in which his average daily wages during that wage period fall ,

(*ii*) where the person sustains employment injury before the expiry of the first wage period in the contribution period in which the injury occurs, the rate, twenty five per cent more than the standard benefit rate, rounded to the next higher multiple of five paise corresponding to the group in which wages actually earned or which would have been earned had he worked for a full day on the date of accident, fall.

[illegible] The disablement or dependants' benefit rate calculated as aforesaid shall be called the "full rate".

7. The disablement benefit shall be payable to the insured person as follows :—

(*a*) for temporary disablement, at the full rate ;

(*b*) for permanent total disablement, at the full rate ,

(*c*) for permanent partial disablement resulting from an injury specified in Part II of the Second Schedule, at such percentage of the full rate which would have been payable in the case of permanent total disablement as is specfied in the said Schedule as being the percentage of the loss of earning capacity caused by that injury ;

(*d*) for permanent partial disablement resulting from an injury not specified in Part II of the Second Schedule, at such percentage of the full rate payable in the case of permanent total disablement as is proportionate to the loss of earning capacity permanently caused by the injury.

Explanation.—Where more injuries than one are caused by the same accident, the rate of benefit payable under clauses (*c*) and (*d*) shall be aggregated but not so in any case as to exceed the full rate ;

(*e*) in cases of disablement not covered by clauses (*a*), (*b*), (*c*) and (*d*) at such rate not exceeding the full rate, as may be provided in the regulations.

8. In the case of death of the insured person, the dependants' benefit shall be payable to his widow and children as follows:—

(*a*) to the widow during life or until remarriage, an amount equivalent to three-fifths of the full rate and, if there are two or more widows, the amount payable to the widow as aforesaid shall be divided equally between the widows ;

(*b*) to each legitimate or adopted son, on amount equivalent to two-fifths of the full rate until he attains eighteen years of age:

Provided that in the case of a legitimate son who is infirm and who is wholly dependent on the earnings of the insured person at the time of his death, dependants' benefit shall continue to be paid while the infirmity lasts,

(*c*) to each legitimate or adopted unmarried daughter, an amount equivalent to two-fifths of the full rate until she attains eighteen years of age or until marriage, whichever is earlier :

Provided that in the case of a legitimate or adopted unmarried daughter who is infirm and is wholly dependent on the earnings of the insured person at the time of his death, dependants' benefit shall continue to be paid while the infirmity lasts and she continues to be unmarried :

Provided further that if the total of the dependants' benefits distributed among the widow or widows and legitimate or adopted children of the deceased person as aforesaid exceeds at any time the full rate, the share of each of the dependents shall be proportionately reduced, so that the total amount payable to them does not exceed the amount of disablement benefit at the full rate.

9. In case the deceased person does not leave a widow or legitimate or adopted child, dependants. benefit shall be payable to the other dependants as follows:—

(*a*) to a parent or grand-parent, for life, at an amount equivalent to three-tenths of the full rate and if there are two or more parents or grand-parents, the amount payable to the parents or grand-parents as aforesaid shall be equally divided between them;

(*b*) to any other—

(*i*) male dependant, until he attains eighteen years of age,

(*ii*) female dependant, until she attains eighteen years of age or until marriage, whichever is earlier or if widowed until she attains eighteen years of age,

at an amount equivalent to two-tenths of the full rate provided that if there be more than one dependant under clause (*b*) the amount payable under this clause shall be equally divided between them.

THE SECOND SCHEDULE

[*See* section 2 (15*A*) and (15*B*)]

Serial No.	Description of injury	Percentage of loss of earning capacity
	PART I	
	LIST OF INJURIES DEEMED TO RESULT IN PERMANENT TOTAL DISABLEMENT	
1	Loss of both hands or amputation at higher sites	100
2	Loss of a hand and a foot ...	100
3	Double amputation through leg or thigh, or amputation through leg or thigh on one side and loss of other foot ...	100
	Loss of sight to such an extent as to render the claimant unable to perform any work for which eye sight is essential ...	100
	Very severe facial disfigurement	100
	Absolute deafness	100
	PART II	
	LIST OF INJURIES DEEMED TO RESULT IN PERMANENT PARTIAL DISABLEMENT	
	Amputation—upper limbs (either arm)	
7	Amputation through shoulder joint ...	90
8	Amputation below shoulder with stump less than 20.32 c.m. from tip of acromion	80
	Amputation from 20.32 c.m. from tip of acromion to less than 11.43 c.m. below tip of olecranon	70

Sl. No.	Description of Injury	Percentage of loss of earning capacity
10	Loss of a hand or of the thumb and four fingers of one hand or amputation from 11.43 c.m. below tip of olecranon	60
11	Loss of thumb	30
12	Loss of thumb and its metacarpal bone ...	40
13	Loss of four fingers of one hand ...	50
14	Loss of three fingers of one hand ...	30
15	Loss of two fingers of one hand ...	20
16	Loss of terminal phalanx of thumb ...	20
	Amputation—lower limbs	
17	Amputation of both feet resulting in end-bearing stumps.	90
18	Amputation through both feet proximal to the metatarso-phalangeal joint	80
19	Loss of all toes of both feet through the metatarso-phalangeal joint	40
20	Loss of all toes of both feet proximal to the proximal inter-phalangeal joint	30
21	Loss of all toes of both feet distal to the proximal inter-phalangeal joint	20
22	Amputation at hip	90
23	Amputation below hip with stump not exceeding 12.70 c.m. in length measured from tip of great trenchanter.	80
24	Amputation below hip with stump exceeding 12.70 c m. in length measured from tip of great trenchanter but not beyond middle thigh	70
25	Amputation below middle thigh to 8.89 c m. below knee.	60
26	Amputation below knee with stump exceeding 8.89 c.m. but not exceeding 12.70 c m.	50
27	Amputation below knee with stump exceeding 12.70 c.m.	40
28	Amputation of one foot resulting in end-bearing ...	30
29	Amputation through one foot proximal to the metatarso-phalangeal joint	30
30	Loss of all toes of one foot through the metatarso-phalangeal joint	20
	Other injuries	
31	Loss of one eye, without complications, the other being normal	40
32	Loss of vision of one eye without complications or disfigurement of eyeball, the other being normal ...	30

Sl. No.	Description of injury	Percentage of loss of earning capacity
	Loss of—	
	A.—Fingers of right or left hand	
	Index finger	
33	Whole	14
34	Two phalanges	11
35	One phalanx	9
36	Guillotine amputation of tip without loss of bone	5
	Middle finger	
37	Whole	12
38	Two phalanges	9
39	One Phalanx	7
40	Guillotine amputation of tip without loss of bone	4
	Ring or little finger	
41	Whole	
42	Two phalanges	
43	One phalanx	
44	Guillotine amputation of tip without loss of bone	
	B.—Toes of right or left foot	
	Great toe	
45	Through metatarso-phalangeal joint	14
46	Part, with some loss of bone	3
	any other toe	
47	Through metatarso-phalangeal joint	
48	Part, with some loss of bone	
	Two toes of one foot, excluding great toe	
49	Through metatarso-phalangeal joint	
50	Part, with some loss of bone	
	Three toes of one foot excluding great toe	
51	Through metatarso-phalangeal joint	
52	Part, with some loss of bone	
	Four toes of one foot excluding great toe	
53	Through metatarso-phalangeal joint	9
54	Part, with some loss of bone	3

NOTE.—Complete and permanent loss of the use of any limb or member referred to in this Schedule shall be deemed to be equivalent of the loss of that limb or member.

THE THIRD SCHEDULE

(*See* Section 52A)

LIST OF OCCUPATIONAL DISEASES

Occupational disease	Employment
PART A	
Anthrax	Any employment— (*a*) involving the handling of wool, hair, bristles or animal carcasses or parts of such carcasses, including hides, hoofs and horns ; or (*b*) in connection with animals infected with anthrax ; or (*c*) involving the loading, unloading or transport of any merchandise.
Compressed air illness or its sequelae.	Any process carried on in compressed air.
Poisoning by lead tetra-ethyl	Any process involving the use of lead tetra-ethyl.
Poisoning by nitrous fumes	Any process involving exposure to nitrous fumes
Poisoning by organic phosphorus insecticides.	Any process involving the use or handling or exposure to the fumes, dust or vapour containing any of the organic phosphorus insecticides.
PART B	
Poisoning by lead, its alloys or compounds or its sequelae excluding poisoning by lead tetra-ethyl.	Any process involving the handling or use of lead ore or lead or any of its preparations or compounds except lead tetra-ethyl.
Poisoning by phosphorus or its compounds, or its sequelae.	Any process involving the liberation of phosphorus or use or handling of phosphorus or its preparations or compounds.
Poisoning by mercury, its amalgams and compounds, or its sequelae.	Any process involving the use of mercury or its preparations or compounds.
Poisoning by benzene, or its homologues, their amido and nitroderivatives or its sequelae.	Any process involving the manufacture, liberation, or use of benzene, benzene homologues and their amido and nitro derivatives.
Chrome ulceration or its sequelae.	Any process involving the use of chromic acid or bichromate of ammonium potassium or sodium or their preparations or the manufacture of bichromate.
Poisoning by arsenic or its compounds, or its sequelae	Any process involving the production, liberation or utilisation of arsenic or its compounds.]

Occupational disease	Employment
Pathological manifestations due to— (a) radium and other radio-active substances, (b) X-rays.	Any process involving exposure to the action of radium, radio active substances or X-rays.
Primary epitheliomatous cancer of the skin.	Any process involving the handling or use of tar, pitch, bitumen, mineral oil, paraffine, or the compounds, products or residues of these substances.
Poisoning by halogenated hydrocarbons of the aliphatic series and their halogen derivatives.	Any process involving the manufacture, liberation and use of hydrocarbons of the aliphatic series and their halogen derivatives.
Poisoning by carbon disulphide or its sequelae.	Any employment in— (a) the manufacture of carbon disulphide; or (b) the manufacture of artificial silk by viscose process; or (c) rubber industry; or (d) any other industry involving the production or use of products containing carbon disulphide or exposure to emanations from carbon disulphide.
Occupational cataract due to infra-red radiations.	Any manufacturing process involving exposure to glare from molten material or to any other sources of infra red radiations.
Telegraphist's Cramp	Any employment involving the use of telegraphic instruments.
Poisoning by manganese or a compound of manganese, or its sequelae.	Any process involving the use of, or handling of, or exposure to the fumes, dust or vapour of, manganese or a compound of manganese, or a substance containing manganese.

PART C

Silicosis . .	Any employment involving exposure to the inhalation of dust containing silica.
Coal Miners' Pneumoconiosis.	Any employment in coal mining.
Asbestosis .	Any employment in— (1) the production of— (i) fibro cement materials; or (ii) asbestos mill board; or (2) the processing of ores containing asbestos.
Bagassosis . .	Any employment in the production of bagasse mill board or other articles from bagasse.'.

43. *Act not to apply to certain cases.*—No provision of this Act shall apply to and in relation to any payment which has been, or is being, or is required to be, made under the principal Act in respect of any employment injury sustained by an employee in any State or part thereof at any time before the date of the coming into operation of that provision and any such payment and any application, appeal or other proceeding for or relating to such payment pending before any authority immediately before such date shall continue to be governed by the provisions of the principal Act as they stood immediately before that date.

STATEMENT OF OBJECTS AND REASONS

The Employees' State Insurance Act, 1948, provides, *inter alia* for certain benefits to employees in case of sickness, maternity and employment injury and for certain other matters in relation thereto. Experience of the administration of the Act has disclosed certain difficulties in its working. The object of the present Bill is to remove such difficulties and to make the administration of the Act simpler. The major amendments proposed in the Bill are indicated below:—

(*a*) The wage limit for coverage of employees is being raised from Rs. 400 to Rs. 500 per month to secure benefits of the scheme for a larger number of employees.

(*b*) The existing definition of the term "employee" does not cover administrative staff engaged in sale, distribution and other allied functions. The difinition is being amended to cover such employees.

(*c*) The definition of the term "family" is being amended to include dependent parents of female insured persons; dependent parents of male insured persons are already included.

(*d*) The number of representatives of Parliament on the Employees' State Insurance Corporation is being raised from two to three with a view to include two Members from the Lok Sabha and one from the Rajya Sabha.

(*e*) Provision for the grant of funeral benefit, not exceeding Rs. 100, on the death of an insured person is being made for the first time.

(*f*) The scheme of maternity benifit is being enlarged.

(*g*) Provision for the taking over by the Employees' State Insurance Corporation of the administration of the medical benefit from State Governments is being made.

(*h*) The rate of disablement benefit is being increased.

Certain minor and formal amendments to the Act have also been proposed in the Bill.

2. The notes on clauses explain in detail the important provisions of the Bill.

A. K. SEN.

NEW DELHI;
The 7th August, 1965.

Notes on clauses

Clause 1.—This clause empowers the Central Government to stagger application of the Act to ensure systematic and gradual change over from the existing provisions.

Clause 2.—This clause seeks to clarify certain terms and expressions used in the Act and also to raise the wage-limit for coverage under the Act from Rs. 400 to Rs. 500 per month. Another change proposed by this clause is to bring within the scope of the definition of "seasonal factory" a factory which works for a period not exceeding 7 months in a year and is engaged during that period in any process of blending, packing or re-packing of tea or coffee or in such other manufacturing process as the Central Government may, by notification in the Official Gazette, specify.

Clause 3.—This clause seeks to insert a new section 2A which will make it obligatory on the principal employer to have his factory or establishment registered under the Act.

Clause 4.—The clause seeks to amend section 4 of the Act so as to empower the Central Government to appoint a Chairman and a Vice-Chairman of the Corporation and in addition to provide that none of the five persons to be nominated by that Government under clause (c) need be an official. This clause also seeks to provide that the Director General of the Corporation shall be its *ex-officio* member and that the number of representatives of Parliament on the Corporation shall be 3 instead of 2.

Clause 5.—This clause seeks to make amendments of a consequential nature in section 5 of the Act.

Clause 6.—This clause seeks to substitute section 7 of the Act. It provides for authentication of all orders and decisions of the Corporation by the signature of the Director General who will now be an *ex-officio* member of the Corporation and for the authentication of all other instruments issued by the Corporation by the signature of the Director General or such other officer of the Corporation as may be authorised by him.

Clause 7.—This clause seeks to raise the number of representatives of employers and employees on the Standing Committee from two to three and also provides that the Director General shall be an *ex-officio* member of this Committee.

Clause 8.—This clause seeks to provide that members of the Medical Benefit Council other than *ex-officio* members and those nominated by Government shall continue to hold office until the nomination of their successors is notified, notwithstanding the expiry of the normal term of their membership.

Clause 9.—This clause seeks to provide that a person shall cease to be a member of the Corporation when he ceases to be a Member of Parliament.

Clause 10.—This clause provides that the sanction of the Central Government as well as the Corporation will be obtained before a Principal Officer undertakes any work not connected with his office.

Clause 11.—This clause seeks to amend sub-section (3) of section 17 to provide that consultation with the Union Public Service Commission will be necessary in the case of certain classes of posts instead of posts with a certain maximum monthly pay.

Clause 12.—This clause seeks to omit sections 27 and 31 of the Act which are out of date.

Clause 13.—This clause makes a clarificatory amendment in section 36 of the Act.

Clause 14.—This clause makes an amendment of a consequential nature.

Clause 15.—This clause provides that no contribution shall be payable in respect of an employee whose average daily wages are below Rs. 1.50 instead of Re. 1.00 at present. It also seeks to omit sub-sections (4) and (5) of section 42 of the Act and to modify sub-section (2) thereof so as to make the liability to pay contributions co-terminus with the liability for payment of wages.

Clause 16.—This clause empowers the Corporation to frame Regulations fixing the date by which evidence of contributions having been paid is to be received by it.

Clause 17.—This clause seeks to introduce new sections 45A and 45B empowering the Corporation to determine in certain cases the amount of contributions payable in respect of employees of a factory or establishment on the basis of available information and providing that any contribution payable under the Act may be recovered as an arrear of land revenue.

Clause 18.—This clause empowers the Corporation to accept alternative evidence of sickness in cases where an insured person is unable to produce a medical certificate from a Medical Practitioner appointed under the Scheme. This clause further seeks to provide for periodical payments to an insured woman also in case of miscarriage or sickness arising out of pregnancy, confinement, premature birth of child or miscarriage.

Another amendment proposed by this clause is to provide for payment of an amount not exceeding Rs. 100 towards the expenditure on the funeral of a deceased insured preson.

Clause 19.—This clause simplifies the conditions for drawal of sickness benefit by providing that a person shall be qualified to claim such benefit during a benefit period if during the corresponding contribution period, weekly contributions in respect of him were payable for a minimum period of 13 weeks. The right to eligbility will accrue on payment of contributions for half the number of weeks in the first benefit period.

Clause 20.—This clause makes a consequential amendment.

Clause 21.—This clause provides for payment of sickness benefit for a maximum period of 56 days in any two consecutive benefit periods and makes certain other amendments of consequential nature.

Clause 22.—This clause provides that as in the case of sickness benefit, maternity benefit shall be payable if the insured woman has paid contributions for a minimum period of 13 weeks in a contribution period. The right to eligibiity will accrue on payment of contributions for half the number of weeks in the first benefit period.

This clause also provides for—

(*a*) payment of maternity benefit in the event of death of the insured woman or the child to her nominee or legal representative;

(*b*) grant of maternity benefit for six weeks in case of miscarriage; and

(*c*) grant of maternity benfit for an additional period of one month in case of sickness arising out of pregnancy, confinement, etc.

Clause 23.—This clause seeks to recast the existing section 51 relating to disablement benefit and introduces new sections 51A, 51B, 51C and 51D to simplify the adjudication of employment injury claims by making certain specific provisions in the Act.

Clause 24.—This clause seeks to recast the existing section 52 relating to dependants' benefit by specifying the share of each dependant in the Act itself and empowering the Corporation to decide the question of payment of benefit to dependants and rates applicable to them without reference to the Employees' Insurance Court.

This clause also introduces a new section 52A incorporating the provisions relating to the occupational diseases in the Workmen's Compensation Act, 1923 with suitable modifications.

Clause 25.—This clause makes changes of a consequential nature

Clause 26.—This clause seeks to replace the existing section 54 by a revised section 54 and a new section 54A providing for determination of questions connected with disablement by a Medical Board and for right of appeal against the Board's decision to a Medical Appeal Tribunal or an Employees' Insurance Court.

Clause 27.—This clause seeks to recast the existing section 55 so as to provide for review of decisions of Medical Boards and Medical Appeal Tribunals and for review of dependants benefit. This clause also specifies the circumstances in which a review of benefits may be made.

Clause 28.—This clause seeks to introduce a new section 59A enabling the Corporation to take over, in consultation with the State Governments concerned, the administration of medical care where it becomes necessary or desirable to do so.

Clause 29.—This caluse seeks to omit sections 66 and 67 with a view to provide the employers complete insurance cover.

Clause 30.—This clause makes amendment of a consequential nature to section 71 of the Act.

Clause 31.—This clause seeks to omit section 73H as a similar provision is proposed to be inserted by new section 99A.

Clause 32.—This clause, besides making certain amendments of a consequential nature, also empowers the Employees' Insurance Courts to direct the Corporation, if necessary, to have any disablement question considered by a Medical Board or a Medical Appeal Tribunal.

Clause 33.—This clause seeks to amend section 77 so as to provide for a time limit of three years for commencement of the proceedings before an Emplyees' Insurance Court.

Clause 34.—This clause seeks to make consequential amendments.

Clause 35.—This clause empowers the Director General to authorise an officer of the Corporation other than the Insurance Commissioner to institute or to sanction prosecutions under the Act

Clause 36.—This clause seeks to provide for consultation with the Corporation before exemption is granted by the appropriate Government to factories or establishments belonging to Government or a local authority.

Clause 37 —This clause introduces a new section 91A providing for grant of exemptions under the Act either prospectively or retrospectively.

Clause 38.—This clause amends section 95 so as to empower the Central Government to frame rules in regard to fillng of appeals before medical appeal tribunals or Employees' Insurance Courts and to provide that the Central Government will consult the Corporation while making rules under the Act.

Clause 39.—This clause amends section 96 so as to provide that the State Governments will also consult the Corporation while making rules under the Act.

Clause 40.—This clause seeks to empower the Corporation to make regulations in regard to certain additional matters necessitated by the other amendments made in the Bill.

Clause 41.—This clause seeks to introduce a new section 99A empowering the Central Government to remove difficulties in giving effect to the provisions of the Act.

Clause 42.—This clause seeks to replace the existing Schedules I and II by a new First Schedule and makes the following important changes therein:—

(a) The average daily wage will be calculated by dividing the standard wage of an insured person by 26, 13, 6 or 1 depending on whether he is monthly rated, fortnightly rated, weekly rated or daily rated.

(*b*) Average daily wage will need to be worked out only once in the first wage period in a contribution period. The same rate will apply for the whole contribution period.

(*c*) The number of wage groups for payment of contributions and grant of benefits has been increased from 8 to 9 to provide for the enhanced wage limit for coverage from Rs. 400 to Rs. 500 per mensem.

(*d*) A standard rate of sickness benefit is being fixed corresponding to each wage group. Calculation of the rate of benefit for each individual case will no longer be necessary.

(*e*) The rate disablement and dependants, benefit is being fixed at 25 per cent. over and above the sickness benefit rate, which is about half average wage.

(*f*) The rates of weekly contributions have been rationalised and marginal adjustments have been made in these rates. The revised rates of contribution as well as benefits have been rounded off to the nearest multiple of five paise.

Another change effected by this clause is the insertion of the Second and Third Schedules, which are new, giving lists of injuries resulting in permanent disablement and occupational diseases.

Clause 43.—This clause seeks to introduce a new section providing that the provisions of the amendment Act will not apply to any past or pending cases of payment in respect of any employment injury sustained before the commencement of the amendment Act and that the same will be governed by the provisions of the principal Act as they stood before the commencement of the amendment Act

FINANCIAL MEMORANDUM

The Employees' State Insurance Act, 1948 applies to a number of Central Government undertakings. Some of the amendments proposed in the Bill will have the effect of increasing the liability of the employers (including Central Government) for payment of contributions. Clause 2 (3) of the Bill seeks to increase the wage limit for coverage of employees from Rs. 400 to Rs. 500 per month. This involves payment of contribution by employers also in respect of employees who draw a monthly wage between Rs. 400 and Rs. 500. Clause 42 seeks to replace the existing Schedules I and II by a new First Schedule which provides for rationalisation of the rates of contribution payable by employers and employees. These rates have been rounded off to the nearest multiple of five paise and the rates of contribution payable by employers are in some cases higher than the existing rates. These proposals in so far as they concern the Central Government undertakings will thus involve increased expenditure from the consolidated Fund of India. It may, however, be added that the proposed changes in the rates of contribution will not affect the employers till the transitory provisions in Chapter VA of the Act are withdrawn. So long as this Chapter is in force, the employers in public and private sectors will pay the Employer's Special Contribution as leviable thereunder in lieu of the employer's contribution at the rates as laid down in the existing Schedule I to the Employees' State Insurance Act, 1948 or at the rates now proposed to be revised under the Bill. The liability of employers to pay contribution at the higher rates will, therefore, accrue only after some time. As regards the contribution payable in respect of employees who draw a monthly wage between Rs. 400 and Rs. 500, it may be stated that many of the Central Government undertakings have been exempted from the operation of the Act under section 90, since they provide benefits which are superior or substantially similar to those available under the Act. The Scheme is applied to such Government undertakings only as do not provide similar or superior benefits but as, it is being extended to new areas from time to time, the number of undertakings and employees covered goes on changing.

The additional liability of employers due to (*a*) the inclusion of employees who draw a monthly wage ranging between Rs. 400 and Rs. 500 and (*b*) the rounding off of the rates of employers' contribution, has been estimated at (*i*) Re. 0.36 per annum per covered employee and (*ii*) Rs. 1.19 per annum per covered employee respectively, *i.e.*, Rs. 1.55 in all per annum per covered employee. The additional liability on account of inclusion of employees who draw a monthly wage between Rs. 400 and Rs. 500 will, however, be off-set to the extent the employers will get relief from their liability in respect of such employees under the Workmen's Compensation Act and the Maternity Benefit Act and the expenditure on medical treatment and sickness leave which are at present being granted.

As the number of undertakings and employees covered goes on changing from time to time, it is not possible to give an estimate of the total additional expenditure.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 38 of the Bill seeks to amend Section 95 of the Act to empower the Central Government to make rules in regard to the manner in which and the time within which appeals may be filed to medical appeal tribunals or Employees' Insurance Courts.

Clause 40 of the Bill seeks to amend Section 97 of the Act to empower the Corporation to make regulations in relation to certain additional matters. The additional matters relate *inter alia* to the manner in which a factory or establishment shall be registered, the levy of interest at a rate not exceeding six per cent. per annum on contributions due but not paid, the method of determining whether an insured person is suffering from any occupational disease, the qualifications of persons who may issue sickness certificates and constitution of medical boards and medical appeal tribunals.

The matters referred to in clauses 38 and 40 pertain to procedure, form or detail and the delegation of legislative powers is thus of a normal character.

S. L. SHAKDHER,

Secretary.

NOTIFICATION

(LAW DEPARTMENT)

No. LAW 69 LCA 65, Bangalore, dated 22nd September 1965

Order that the Government (Liability in Tort) Bill, 1965 (Central Bill No. 54 of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 31st August 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
Under Secretary to Government, I/c.,
Law Department.

LOK SABHA

The following Bill was introduced in Lok Sabha on the 31st August, 1965 :—

BILL NO. 54 OF 1965.

bill to define and amend the law with respect to the liability of the Government in tort and to provide for certain matters connected therewith.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows :—

1. Short title extent and commencement.—(1) This Act may be called the Government (Liability in Tort) Act, 1965.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette appoint.

2. **Definitions.**—In this Act, unless the context otherwise requires,—

(*a*) "agent", in relation to the Government, means a person (other than an employee of the Government) who being employed to do any act for the Government is, in doing the act, under the order or control of the Government;

(*b*) "employee of the Government" means any person who—

(i) is a member of a defence service or of a civil service of the Union or of an all-India service or holds any post connected with defence or any civil post under the Union; or

(ii) is a member of a civil service of a State or holds any civil post under a State;

(*c*) "Government" in relation to any liability imposed under this Act, means—

(i) where a tort is committed by an employee of the Government while acting in connection with the affairs of the Union, or by an agent or independent contractor employed by the Central Government, the Central Government;

(ii) where a tort is committed by an employee of the Government while acting in connection with the affairs of a State, or by an agent or independent contractor employed by a State Government, the State Government;

(*d*) "independent contractor", in relation to the Government, means a person who contracts to do an act for the Government, but who in doing the act is not under the order or control of the Government.

3. Liability of Government in tort.—*Subject to the provisions of this Act, the Government shall be liable in respect of any tort—*

(a) *committed by an employee of the Government or an agent employed by the Government,—*

(i) *while acting in the course of his employment ; or*

(ii) *while acting beyond the course of his employment if the act constituting the tort was done by the employee or agent on behalf of the Government and is ratified by the Government ;*

(b) *committed by an independent contractor employed by the Government or any of his servants or workmen in doing the act contracted to be done for the Government in any of the following cases (and in no others), namely :—*

(i) *where the Government assumes control of the act contracted to be done by the independent contractor ;*

(ii) *where the Government has authorised or ratified the act of the independent contractor alleged to constitute the tort ;*

(iii) *where the act contracted to be done although lawful is of such a nature that unless reasonable care is taken, it is likely in the ordinary course of events to cause personal injury or damage to property in the doing thereof and such care has not been taken .*

Provided that the Government shall not be liable under this sub-clause if there is an express stipulation in the contract between the Government and the independent contractor that—

(a) *reasonable care in the doing of the act shall be taken by the independent contractor and not by the Government, and*

(b) *the independent contractor shall, and the Government shall not, be liable for any personal injury or any damage to property caused in the doing of the act by the failure on the part of the independent contractor to take such care ;*

(iv) *where the Government is under a legal obligation to do the act itself;*

(v) *where any law for the time being in force imposes upon the Government an absolute duty to ensure the safety of persons or property in the doing of the act contracted to be done and there has been a failure to comply with that duty.*

4. Liability of Government in tort as owner or occupier of immovable property.—*Where the Government is the owner of any immovable property, or is in possession or occupation of, or exercises control over, any immovable property, the Government shall be liable in respect of any breach of duty attaching by law to the ownership, possession, occupation or control of such property in the same manner and to the same extent as a private person of full age and capacity:*

Provided that where any such property vests in the Government by virtue of any rule of law which operates independently of the acts or intentions of the Government, the Government shall not, by virtue of this section, be subject any liability in tort by reason only of the property being so vested, but the provisions of this section shall be without prejudice to the liability of the Government thereunder in respect of any period after the Government or any person acting for the Government has, in fact, taken possession or control of any such property, or entered into occupation thereof.

5. Liability of Government in tort in respect of escape of dangerous things.—*The Government shall be liable in respect of any personal injury or any damage to property caused by any dangerous thing in the possession of the Government or over which the Government exercises control in the same manner and to the same extent as a private person of full age and capacity would be liable in similar circumstances if he were in possession of, or exercised control over, such thing.*

6. Liability of Government in respect of breach of duties to its employees.—*The Government shall be subject to all those liabilities in tort to which, if it were a private person of full age and capacity, it would be subject in respect of any breach of those duties which a person owes to his servants or agents under any law for the time being in force by reason of being their employer :*

Provided that in awarding compensation to any employee of the Government or any agent employed by the Government in respect of any personal injury or any damage to property caused by the breach of any such duties, the court shall take into account the amount, if any, paid or required to be paid by the Government, whether by way of disablement benefit, compensation or otherwise, to such employee or agent under any other law for the time being in force.

7. Statutory limits as to the amount of liability to apply to claims against Government also.—Any enactment which negatives or limits the amount of liability of an employee of the Government or an agent employed by the Government in respect of any tort committed by such employee or agent shall, in the case of any proceedings against the Government under this Act in respect of such tort, apply in relation to the Government as it would have applied to such employee or agent if the proceedings against the Government had been proceedings against that employee or agent.

8. Defences open to Government.—In any proceedings against the Government under this Act, the Government shall be entitled to raise by way of defence the same pleas which a private person would be entitled under law to raise if a similar suit had been instituted against such person.

9. Indemnity and contribution.—Where the Government is subject to any liability in tort by virtue of this Act, any law relating to indemnity and contribution shall be enforceable by or against the Government in respect of the liability to which it is so subject as if the Government were a private person of full age and capacity.

10. Special provisions relating to armed forces of the Union and police forces.—(1) Any act done by a member of the armed forces of the Union while on duty as such or by a member of a police force while on duty as such shall not subject either him or the Government to liability in tort for causing the death of another person or for causing personal injury to another person, in so far as the death or personal injury is due to anything suffered by that other person while he is a member of the armed forces of the Union or, as the case may be, a member of the police force if—

(*a*) at the time the thing is suffered by that other person he either is on duty as a member of the armed forces of the Union or as a member of the police force or, though not on duty, is on any land, premises, ship, aircraft or vehicle for the time being used for the purposes of the armed forces of the Union or, as the case may be, for the purposes of the police force ; and

(*b*) the Government certifies that his suffering that thing has been or will be treated as attributable to service for the purposes of entitlement to any award under any law or scheme relating to the death or disablement of members of the force of which he is a member :

Provided that this sub-section shall not exempt a member of the armed forces of the Union or a member of a police force from liability in tort in any case in which the court is satisfied that the act was not connected with the execution of his duties as a member of those forces or that force.

(2) No proceedings in tort shall lie against the Government for death or personal injury due to anything

suffered by a member of the armed forces of the Union or a member of a police force if—

(*a*) that thing is suffered by him in consequence of the nature or condition of any such land, premises, ship, aircraft or vehicle as aforesaid or in consequence of the nature or condition of any equipment or supplies used for the purposes of those forces or that force ; and

(*b*) the Government certifies as mentioned in the preceding sub-section ;

nor shall any act of an employee of the Government subject him to liability in tort for death or personal injury in so far as the death or personal injury is due to anything suffered by a member of the armed forces of the Union or by a member of a police force, being a thing as to which the conditions aforesaid are satisfied.

(3) The Government or an officer authorised by the Government in this behalf, if satisfied that it is the fact—

(*a*) that a person was or was not on any particular occasion on duty as a member of the armed forces of the Union or as a member of a police force ; or

(*b*) that at any particular time any land, premises, ship, aircraft, vehicle, equipment or supplies was, or was not or were or were not used for the purposes of those forces or that force,

may issue a certificate certifying that to be the fact ; and any such certificate shall, for the purposes of this section, be conclusive as to the fact which is certified.

(4) In this section, the word "Government" means,–

(*a*) in relation to a member of the armed forces of the Union or of a police force maintained by the Central Government, the Central Government ;

(*b*) in relation to a police force maintained by a State Government, the State Government.

11. Savings.—Nothing contained in this Act shall render the Government liable in respect of—

(*a*) any act of State ;

(*b*) any act done by the Government in the discharge of its functions in relation to any of the matters enumerated in entries 10, 11, 12, 13, 14, 15 and 16 of List I in the Seventh Schedule to the Constitution ;

(*c*) any act done by the President of India in the exercise and performance of the powers and duties of his office in relation to the summoning and prorogation of the Houses of Parliament, the dissolution of the House of the People, the assent to, or the withholding of assent from, any Bill, the return of any Bill to the Houses for reconsideration of the Bill or any specified provisions thereof or the issue of any Proclamation under the Constitution ;

(*d*) any act done by the Governor of a State in the exercise and performance of the powers and duties of his office in relation to the summoning and prorogation of the House or Houses of the Legislature of the State, the dissolution of the Legislative Assembly, the assent to, or the withholding of assent from, any Bill, the reservation of any Bill for the consideration of the President or the return of any Bill to the House or Houses for reconsideration of the Bill or any specified provisions thereof ;

(*e*) any act done under a Proclamation issued under the Constitution ;

(*f*) any act authorised by or under the Trading with the Enemy (Continuance of Emergency Provisions) Act, 1947 (16 of 1947) ;

(*g*) any act done in the exercise of the powers vested in the Union for the purpose of training, or maintaining the efficiency of, the armed forces ;

(*h*) any act done by a member of the armed forces of the Union while on active service ;

(*i*) any act done by—

  (*i*) a member of a police force, or

  (*ii*) a public servant whose duty it is to preserve peace and order in any area or place or who is engaged on guard, sentry, patrol, watch and ward, or other similar duty in relation to any area or place,

for the prevention or suppression of a breach of the peace, or a disturbance of the public tranquillity, or a riot, or an affray or for the prevention of any offences against public property ;

(*j*) any act done or ordered to be done by a judge, magistrate, or any other person while discharging or purporting to discharge any responsibilities of a judical nature vested in him ;

(*k*) any act in connection with the execution of lawful warrants or orders of a judge, magistrate, or any other person discharging or purporting to discharge any responsibilities of a judicial nature vested in him, done by any person bound to execute the warrants or orders ;

(*l*) any act for which immunity is granted under the Indian Telegraph Act, 1885 (13 of 1885), the Indian Post Office Act, 1898 (6 of 1898), or under any other enactment for the time being in force ;

(*m*) any act in respect of which a remedy is provided under the Indian Railways Act, 1890 (9 of 1890), or under any other enactment for the time being in force ;

(*n*) any personal injury or any damage to property caused by an act which by its nature is likely in the ordinary course of events to cause such injury or damage, if the doing of the act is authorised by any enactment for the time being in force ;

(*o*) any claim arising out of defamation, malicious prosecution or malicious arrest ;

(*p*) any claim arising out of the operation of any quarantine law ;

(*q*) any claim arising in a foreign country.

12. Pending proceedings.—The provisions of this Act shall not affect any proceedings by or against the Government which have been instituted before the commencement of this Act, and such proceedings shall be disposed of as if this Act had not been passed.

13. Amendment of Act 13 of 1855.—In the Fatal Accidents Act, 1855, in section 4, for the words 'the word "person" shall apply to bodies politic and corporate', the following shall be substituted, namely :—

'the word "person" shall apply to bodies politic and corporate and the Government'.

STATEMENT OF OBJECTS AND REASONS

The law relating to the liability of the Government for torts or civil wrongs is in a state of uncertainty. This uncertainty has been occasioned by conflicting judicial decisions. In view of this uncertainty, the matter was referred, on the initiative of the late President of India, Dr. Rajendra Prasad, to the Law Commission for consideration and report. The Law Commission examined the matter in detail and after having made a general survey of the law with respect to liability of the Government in tort in various countries such as the United Kingdom, United States of America, Canada, Australia, France, etc., recommended that legislation should be undertaken in India for defining the liability of the Government in tort and formulated for this purpose certain specific proposals based mainly on the U. K. Crown Proceedings Act, 1947. While these proposals were under the active consideration of the Government, the question of the extent of liability of the Government in tort came up for consideration before the Supreme Court in State of Rajasthan *v.* Mst.

Vidyawathi—1962, Supp. 2 S.C.R. 987. In that case it was held by the Supreme Court that in India, ever since the time of the East India Company, the sovereign has been held liable to be sued in tort or in contract, and that the Common Law immunity never operated in India. But, in a more recent case—Ralia Ram *v.* the State of Uttar Pradesh, 1965, 1 S.C.A. 809, the Supreme Court has held that the distinction between sovereign and non-sovereign functions of the Government even now obtains in India and that,therefore, the State is liable for tortious acts committed by its employees only if such acts are committed in the discharge of functions which are not sovereign. The Court, however, was not satisfied with this state of law and urged that the matter should be set right without delay by legislation, as has been done in the United Kingdom by the Crown Proceedings Act, 1947. The proposed legislation which seeks to implement, subject to some modifications, the recommendations of the Law Commission in its Report on the liability of the State in tort, is intended to give effect to the suggestion of the Supreme Court.

2. The recommendations of the Law Commission, as given effect to in the Bill, may be categorised as follows:-

(i) In the first place, there is the liability of the Government to third parties for torts committed by its employees and agents. Here, the Government, like any private individual, should be vicariously liable to third parties for torts committed by its employees and agents in the course of their employment or for torts committed by its employees and agents on behalf of the Government and subsequently ratified by the Government. This Recommendation has been embodied in clause 3(*a*) of the Bill.

(ii) In the second place, there is the liability of the Government to third parties for torts committed by an independent contractor employed by the Government and his servants and workers. Here, the Government, like any private individual, should be liable to third parties only in cases specified in clause 3(*b*) of the Bill.

(iii) In the third place, there are Common Law duties attaching to ownership, occupation, possession or control of property. Here also, the Government, like any private individual, should have certain duties when it is the owner of any immovable property or in possession or occupation of, or exercises control over, any immovable property. Clause 4 of the Bill gives effect to this recommendation.

(iv) In the fourth place, there is the liability of the Government in tort in respect of escape of dangerous things. Here also, the Government, like any private individual, should be liable in respect of any personal injury or any damage to property caused by any dangerous thing in the possession of the Government or over which the Government exercises control. Clause 5 of the Bill gives effect to this recommendation.

(v) In the fifth place, there is the liability of the Government towards its own employees and agents. Here also, the Government, like any private individual, should be liable to its own employees and agents for any injury caused by the failure of the Government to take the requisite care. Clause 6 of the Bill gives effect to this recommendation.

(vi) In the sixth place, the other recommendations of the Law Commission which are of an incidental, ancillary or minor nature have been incorporated in clauses 7, 8 and 9 of the Bill.

(vii) Clause 10 of the Bill makes certain special provisions as to armed forces of the Union and police forces and clause 11 provides for a number of savings and exceptions.

3. The Notes on clauses explain in greater detail the various provisions of the Bill and also indicate the deviations made from the recommendations of the Law Commission and the reasons for the deviations. The Notes also make reference to relevant provisions of the U. K. Crown Proceedings Act and important cases on the subject.

NEW DELHI ; A.K. SEN.

The 12*th August,* 1965.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. F. 11 (2)/59-Leg. II, dated the 24th August, 1965 from Shri Jaganatha Rao, Deputy Minister of Law to the Secretary, Lok Sabha, New Delhi.]

The President having been informed of the subject matter of the Government (Liability in Tort) Bill, 1965, recommends to the Lok Sabha, under clause (3) of article 117 of the Constitution, the consideration of the Bill.

Notes on clauses

Clause 2.—This clause contains the definitions of important words and expressions used in the Bill some of which are based on the definitions suggested in paragraph 66.VI of the Report of the Law Commission on Liability of the State in Tort (hereinafter referred to as the "Report").

The Law Commission has suggested that " agent " shall have the same meaning as in the Indian Contract Act, 1872. But this suggestion has not been accepted as " agent " as defined in the Indian Contract Act is wide enough to include an " independent contractor " also. In the law of contract an " independent contractor " may be regarded as an " agent " but in the law of tort there is an essential difference between an " agent " and an " independent contractor ", but there is no such difference between an " agent " and a " servant " It is thus stated in Clerk and Lindsell on Torts (11th Ed. at page 116) while drawing a distinction between a " servant " and " contractor "—

> " Of the former class (servants) those whose employment is more or less continuous are usually styled

> servants while those whose employment is intermittent or confined to a particular occasion are usually called by the generic name of agents. Between servants, however, and other agents over whom the employer reserves control, there is no distinction in point of law; the employer is liable for the torts of the one to the same extent and subject to the same conditions as he is liable for the torts of the other. For the sake of brevity, therefore, it may be convenient to speak of all those classes of agents over whom the employer reserves control as servants in contradistinction to contractors over whom such control is not reserved."

[See also *ibid.* p. 135, Salmond on the Law of Torts (12th Ed. pp. 104 *et seq.*); Pollock's Law of Torts (15th Ed., pp. 62 and 63); Fleming, the Law of Torts, p. 357; Street, Law of Torts (1963), Chap. XXVII; Performing Right Society, Ltd. *v.* Mitchell (1924), 1 K.B. 762. In this case the distinction between a servant and an independent contractor has been clearly brought out with reference to general principles laid down by well-known authorities · see also the case of Honeywill and Stein, Ltd. *v.* Larkin Brothers, Ltd. (1934) 1 K.B. 191 (C.A.) at pp. 196, 197].

The definition of "employee of the Government" is based on Article 310 of the Constitution.

The definition of "independent contractor" has been explained above.

The exact definition of "tort" is well nigh impossible as pointed out by the Law Commission, and therefore has not been attempted.

Clause 3.—Sub-clause (*a*) gives effect to the recommendation in paragraph 66. I (i) of the report and is modelled on section 2 (1) (a) of the U.K. Crown Proceedings Act, 1947 (hereinafter referred to as "the U.K. Act").

This provision seeks to implement in relation to the Government the common law provision that a master is vicariously liable to third parties for torts committed by his servants and agents in the course of their employment or for torts committed by his servants and agents for the master's benefit and subsequently ratified by the master.

Both in relation to an employee of the Government and an agent of the Government, the expression " in the course of his employement " has been used. There is no difference between " course of his employment " and " scope of his authority " " Scope of employment ", " course of employment " " scope of authority " and " scope of service " mean practically the same thing. As stated in Winfield on Tort (Seventh Edition), p. 741, " course of employment seems to have supplanted scope of authority " These expressions are the formulae which are employed to indicate the outward limits of responsibility of the employer for the torts of his servants or agents. As Fleming states in his " Law of Torts " at p. 365,—

' That phrase (course of employment) like its variants " scope " or " sphere of employment " is the formula which is employed to indicate the outward limits of responsibility for the unauthorised wrongdoing of a servant and represents the judicial compromise between the " social necessity " of making a master answerable for the injury occasioned by servants entrusted with the power of acting in his business and the feeling that it would be unjust, and indeed undesirable, to make him responsible for every act which the servant chooses to do '

The proviso to section 2 (1) (a) of the U.K. Act has been omitted for the reasons given in paragraph 19 of the Report.

Sub-clause (*b*) implements paragraph 66. I (iii) of the Report read with Appendix VI.B thereto. Compare in this connection section 40(2) (d) of the U.K. Act. See in this connection Clerk and Lindsell on Torts (Eleventh Edition), p. 137. The proviso to item (*iii*) of sub-clause (*b*) is, however, new because it is felt that it will not be fair and proper to make the Government liable under this item if there is an express stipulation in the contract between the Government and the independent contractor that reasonable care in the doing of the act shall be taken by the contractor and not by the Government and the independent contractor shall, and the Government shall not be liable for any personal injury or any damage to property caused in the doing of the act by the failure on the part of the independent contractor to take such care.

The recommendation of the Law Commission [*vide* paragraph 66.I(i) of the Report] that the Government shall be liable for torts committed by employees or agents of public corporations or Government companies, has not been accepted because Government corporations or companies are separate juridical persons and there is no reason why the Government should be liable for the torts committed by the employees and agents of such corporations or companies.

Clause 4.—This clause implements paragraph 66.I(v) of the Report read with Appendix VI.E thereto. See also paragraph 24 of the Report. This Clause corresponds to section 2(1) (c) and section 40 (4) of the U.K. Act. See in this connection Clerk and likely in the ordinary course of events to cause such injury or Torts (Seventh Edition), Chapter 12.

Clause 5.—This clause implements paragraph 66.I(vi) of the Report read with Appendix VI.E(4) thereto.

The recommendations of the Law Commission in paragraph 66.II(ii) to (v) have been criticised as being rather too wide. It would appear that the position would be the same even if these recommendations were not implemented. Accordingly, these recommendations have not been included in any clause of the Bill. It has, however, been provided by sub-clause (*n*) of clause 11 that the Government shall not be liable in respect of any personal injury or any damage to property caused by an act which, by its nature, is likely in the ordinary course of events to cause such injury or damage, if the doing of the act is authorised by any enactment for the time being in force. This implements paragraph 66.II(i) of the Report.

Clause 6.—This clause implements paragraph 66.I(ii) of the Report read with Appendix VI.D thereto and follows section 2(1) (b) of the U.K. Act and is based on Clerk and Lindsell on Torts (Eleventh Edition), pp. 390—395. A proviso has, however, been added that in awarding compensation to an employee of the Government the court shall take into account any amount payable under any other law [such as the Extraordinary Pension Rules, the Personal Injuries (Emergency Provisions) Act, 1962, the Personal Injuries (Compensation Insurance) Act, 1963, etc.] to such employee by way of compensation, disablement benefit, etc.

Recommendation of the Law Commission in paragraph 66.III of the Report has not been included in the Bill. The Law Commission without assigning any reason has simply recommended that a provision may be made on the lines of section 3 of the U.K. Act. In view of the special powers conferred on the Government by section 21 of the Patents and Designs Act, 1911 and section 20 of the Atomic Energy Act, 1962, in relation to patents, designs, etc., there is hardly any practical utility for such a provision. Even in regard to section 3 of the U.K. Act, Prof. Glanville L. Williams in his booklet on Crown Proceedings, p. 59, observes that there is little scope in the case of patents and designs, etc., for infringement actions notionally given by this clause, to operate. Implementation of this recommendation may introduce avoidable uncertainty and complications in the matter.

Clause 7.—This clause implements paragraph 66.II (vi) of the Report and is modelled on section 2 (4) of the U.K. Act.

Clause 8.—This clause implements the observations at the end of paragraph 66.I of the Report.

Clause 9.—This clause implements paragraph 66.IV i) of the Report and is modelled on section 4 of the U.K. (Act.

Clause 10.—This clause implements paragraph 66.V (iv) (c) and is modelled on section 10 of the U.K. Act, but there is a difference. The members of the police forces also have been brought within the purview of this clause, the reason being that in principle, the case of a police constable is not distinguishable from that of a soldier, especially when the police force to which he belongs is maintained by the State. *Vide* Attorney General for New South Wales *vs.* Perpetual Trustee & Co. (1955), 1 All E.R. 846 (P.C.) at pp. 857-58. In the U.K. Act, the members of the police force have not been brought within the purview of section 10 of that Act mainly because the police forces there are maintained by the local authorities, the only exception being the Metropolitan police which is under the Secretary of State for Home Affairs.

Clause 11.—This clause implements paragraph 66.V of the Report and saves the Government from liability in respect of a large number of acts detailed therein.

Clause 12.—This clause saves pending proceedings.

Clause 13.—This clause makes a consequential and necessary amendment in the Fatal Accidents Act, 1855.

FINANCIAL MEMORANDUM

The Bill seeks to define the liability of Government in tort. It is not possible to assess the financial liability which Government will incur on the bringing into operation of this Bill when enacted, as a result of the torts committed by the Government or its employees, agents and contractors. That will depend on various factors, such as the number of torts committed, the number of suits instituted against the Government and the number of decrees for compensation passed in those suits against the Government. As it is not possible to foresee and visualise any of these matters, no estimate of the expenditure involved out of the Consolidated Fund of India (in case of the liability of the Central Government) is possible.

S. L. SHAKDHER,
Secretary.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

NOTIFICATION

LAW DEPARTMENT

Bangalore, No. LAW 59 LCA 65, Dated the 18th June 1965.
(Jyeishta Saka Elra 887.)

Ordered that the Joint Committee on the Companies (Second Amendment) Bill, 1964, which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 15th April 1965 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secretary to Government,
Law Department.

GOVERNMENT OF INDIA

New Delhi, Tuesday, February 23, 1965/Phalguna 4, 1886

LOK SABHA

The following Report of the Joint Committee on the Bill further to amend the Companies Act, 1956 was presented to Lok Sabha on the 23rd February, 1965 :—

Composition of the Joint Committee

LOK SABHA

Shri S. V. Krishnamoorthy Rao—*Chairman*

MEMBERS

Sriyuths :—

2. Seth Achal Singh
3. A. Shanker Alva
4. Ramachandra Vithal Bade
5. Rajendranath Barua
6. Bali Ram Bhagat
7. Dinen Bhattacharya
8. N. C. Chatterjee
9. Sachindra Chaudhuri
10. N. Dandeker
11. Raja P. C. Deo Bhanj
12. Bhaskar Narayan Dighe
13. G. N. Dixit
14. Gajraj Singh Rao
15. Prabhu Dayal Himatsingka
16. Cherian J. Kappen
17. R. N. Yadav Lonikar
18. Madhu Limaye
19. Ghanshyamlal Oza
20. Shivram Rango Rane
21. J. Ramapathi Rao
22. R. V. Reddiar
23. Era Sezhiyan
24. Swami Ramanand Shastri
25. Digvijaya Narain Singh
26. Sivamurthi Swami
27. Radhelal Vyas
28. K. K. Warior
29. Nagendra Prasad Yadav
30. T. T. Krishnamachari

Rajya Sabha

31. Liladhar Asthana
32. Mohan Singh
33. Babubhai M. Chinai
34. Vimalkumar M. Chordia
35. Khandubhai K. Desai
36. Suresh J. Desai
37. *Smt.* Shyam Kumari Khan
38. Prof. Mukut Behri Lal
39. Dahyabhai V. Patel
40. P. Ramamurti
41. N. Sri Rama Reddy
42. Awadheshwar Prasad Sinha
43. Rajendra Pratap Sinha
44. Hira Vallabha Tripathi
45. Ramesh Chandra Vyas

DRAFTSMEN

1. Shri S. P. Sen Varma, *Special Secretary, Legislative Department, Ministry of Law.*
2. Shri G. R. Bal, *Joint Secretary and Draftsman, Ministry of*

REPRESENTATIVE OF THE MINISTRY

1. Shri R. C. Dutt, *Secretary, Ministry of Finance, Department of Company Law and Insurance.*
2. Shri B. M. Mitra, *Joint Secretary, Ministry of Finance, Department of Company Law and Insurance.*
3. Shri B. P. Roy, *Secretary, Company Law Board, Department of Company Law and Insurance.*

SECRETARIAT

Shri B. B. Tewari—*Deputy Secretary.*

REPORT OF THE JOINT COMMITTEE

I, the Chairman of the Joint Committee to which the Bill* further to amend the Companies Act, 1956 was referred, having been authorised to submit the report on their behalf, present this their Report, with the Bill as amended by the Committee annexed thereto.

2. The Bill was introduced in Lok Sabha on the 21st September, 1964. The motion for reference of the Bill to a Joint Committee of the Houses was moved in Lok Sabha by Shri T. T. Krishnamachari the Minister of Finance, on the 17th December, 1964 and was discussed on the 17th, 18th and 21st December, 1964 and was adopted on the 21st December, 1964.

3. Rajya Sabha discussed and concurred in the said motion on the 24th December, 1964.

4. The message from Rajya Sabha was published in the *Lok Sabha Bulletin, Part II,* dated the 26th December, 1964.

5. The Committee held 9 sittings in all.

---

* Published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 21st September, 1964

6. The first sitting of the Committee was held on the 26th December, 1964 to draw up a programme of work. The Committee at this sitting decided to hear evidence of associations, etc., desirous of presenting their views or suggestions before the Committee and to issue a press communique inviting memoranda for the purpose by the 15th January, 1965.

7. Thirty-one memoranda/representations on the Bill were received by the Committee from different associations/individuals.

8. At their second to sixth sittings held on the 18th to 21st January and 2nd February, 1965, respectively, the Committee heard the evidence given by ten Associations/bodies.

9. The Committee have decided that the evidence given before them should be laid on the Tables of both the Houses *in extenso.*

10. The Committee considered the Bill clause by clause at their seventh and eighth sittings held on the 3rd and 5th February, 1965, respectively.

11. The Committee considered and adopted the report on the 17th February, 1965.

12. The observations of the Committee with regard to the principal changes proposed in the Bill are detailed in the succeeding paragraphs.

13. *Clause* 5: It was represented to the Committee that if the existing Companies were also to be required to re-draft their object clauses, then that would require the passing of special resolution under the Act, which would involve tremendous time and effort not commensurate with the results intended. The Committee, therefore, feel that this clause should be amended to provide that the provisions of existing clause (c) of Section 13 of the Act should continue to apply to companies in existence immediately before the commencement of the Companies (Amendment) Act, 1965 and the provisions of the proposed new clause requiring the division of objects into (i) main objects and objects ancillary thereto and (ii) other objects should apply only to new companies.

The clause has been amended accordingly.

14. *Clause* 9: The Committee noted that the entire amount of the minimum subscription for shares is not invariably called for at one time and feel that the proposed new sub-section (4) (b) should apply only to the amount payable on applications in respect of the minimum subscription.

The Committee also feel that the punishment clause in the existing sub-section (4) of Section 69 of the principal Act should be retained.

The clause has been amended accordingly.

15 *Clause* 11: The Committte feel that in sub-clause (a) of the clause, the words "and only book adjustment has been made without cash having passed" are redundant and should be omitted.

The clause has been amended accordingly.

16. *Clause* 12: The amendment made in the clause is clarificatory in nature.

17. *Clause* 13: The Committee are of the opinion that an instrument of transfer, executed before the coming into force of this measure but which is not in conformity with the proposed provisions of sub-section (1A) of Section 108 of the principal Act, should also be accepted by a company upto a period of six months from the date of coming into force of the Companies (Amendment) Act, 1965.

The Committee also feel that the provisions of this clause should not prevent any person from depositing, by way of security, any shares with the State Bank of India or any Scheduled Bank or financial institution approved by the Company Law Board by notification in the Official Gazette.

The Committee further feel that in order to avoid hardship in any case, the Company Law Board should be empowered, on an application made to it in that behalf, to extend the period mentioned in the proposed sub-sections (1A) and (1B) in the clause by such further time as that Board might deem fit. Information relating to the number of extensions so granted by the Board and the period of each such extension should, however, be furnished in the annual report laid before the Houses of Parliament under Section 638 of the Companies Act, 1956.

The clause has been amended accordingly.

18. *Clause* 15: The Committee feel that this clause should not apply to—

(*a*) any existing company except where it commences any new business which is not germane to the business which it is already carrying on at the commencement of this Bill, when enacted;

(*b*) any new company except where it commences any business in relation to its objects which are not its main objects or objects incidental or ancillary thereto.

The Committee also feel that private companies should continue to be excluded from the purview of Section 149 as at present. Sub-clause (b) of this clause has accordingly been omitted

The Committee further feel that even if a special resolution can not be passed when it is required, the Company Law Board should be empowered to allow the company to commence such business even if it is passed by a simple majority which is not sufficient for the passing of a special resolution.

The clause has been amended accordingly.

19. *Clause* 16: The amendment is of a drafting nature

20. (*Original Clause*) 17: The clause has been omitted as a consequence of the omission of original clause 42 (*See* para 26 below)

21. *Clause* 20 (*Original Clause* 21): The Committee feel that a company may be required under the proposed clause (d) of sub-section (1) of Section 209 to include the prescribed particulars in its books of account only if it pertains to a class of companies engaged in production, processing, manufacturing or mining activities and all other companies belonging to that class are required to include such particulars in their books of account. The Committee also feel that the inspection by the Registrar, or an officer authorised by the Company Law Board, should be a routine feature and not be of an *ad hoc* or special nature.

The Committee are also of the view that it should be clarified that the books of account will also include vouchers which should be made availble for inspection and investigation and should be preserved for a period of 8 years.

The clause has been amended accordingly. The other amendments are of a drafting nature.

22. *Clause* 21 (*Original Clause* 22): The committee feel that in regard to the transactions of the company represented merely by book entries, the auditor should inquire whether they are not prejudicial to the interest of the company.

The Commtitee also feel that the Central Government should consult the Institute of Chartered Accountants of India before issuing an order, general or special in regard to the class or description of companies and other ancillary matters proposed to be specified therein unless the Government decides that such consultation is not necessary or expedient in the circumstances of the case.

The clause has been amended accordingly. The other amendments are of a verbal and drafting nature.

23. *Clause* 23 (*Original Clause* 24): It was represented to the Committee that the number of Cost Accountants in practice in this country is extremely limited and that, therefore, Cost Audit, if it was to be extensive, will have to be entrusted to Chartered Accountants also. The Committee are of the opinion that this difficulty could be got over by providing specifically that the Chartered Accountants who may possess the prescribed qualifications should also be allowed to undertake cost audit under this clause.

The Committee have also noted that since the cost audit was likely to reveal certain information which was regarded as confidential by the companies, the cost audit report should be filed with the Company Law Board and *not* with the Registrar and a copy of the report should be sent to the company.

The clause has been amended accordingly.

24. *Clause* 25 (*Original Clause* 26): The Committee feel that under the provisions of the proposed sub-section (1A) of Section 240 of the principal Act, the Inspector should have the power, with the previous approval of the Central Government, to call for information or production of books and papers for the purpose of his investigation only from a body corporate and not from a firm or an individual.

The Committee also feel that the Inspector should not keep in his custody books and papers of a company required for the purpose of his investigation, for a period of more than six months after which he should return the same. He may, however, be authorised to call for the books and papers again if they are needed by him.

The clause has been amended accordingly.

25. *Clause* 35 (*Original Clause* 36): The Committee are of the view, that the proposed restrictions on the age limit of a director should be applicable only in the case of directors of a public company or of a private company which is a subsidiary of a public company.

The clause has been amended accordingly.

26. (*Original Clause* 42): The Committee feel that it would be difficult for the companies to note beneficial holders of more than five

per cent of the equity share capital unless the concerned shareholders themselves intimate such holdings.

The Committee have, therefore, omitted this clause from the Bill.

27. *Clause* 41 (*Original Clause* 43): The Committee feel that the words "and such practice is his principal occupation" are not necessary and should be omitted from the clause.

The clause has been amended accordingly.

28. *Clause* 42 (*Original Clause* 44): The Committee feel that the fee for attendance of a meeting of the Board or a Committee thereof should not be limited to one hundred rupees only as that is a very small sum and that the limit may be fixed at two hundred and fifty rupees.

The clause has been amended accordingly.

29. *Clause* 44 (*Original Clause* 46): The Committee are of the opinion that no special resolution should be necessary in the case of loans made to other bodies corporate not under the same management as the lending company, when the aggregate of such loans does not exceed ten per cent of the aggregate of the subscribed capital of the lending company and its free reserves.

The Committee are also of the view that certain financial institutions should be exempted from the operation of this clause in the same manner as under sub-section (14) of Section 372 of the principal Act which restricts inter-corporate investments.

The clause has been amended accordingly. The other amendment is of a clarificatory nature.

30. *Clause* 51 (*Original Clause* 53): The amendment is of a consequential nature.

31. *Clauses* 52 *and* 53 (*Original Clauses* 54 *and* 55)—The Committee feel that in order to avoid delay in the liquidation proceedings the Official Liquidator should be given requisite information as soon as final meetings are held by the companies concerned accepting final dissolution so that the Official Liquidator could keep in touch with the affairs of such companies and there is no delay in his report o the Court.

The clauses have been redrafted accordingly.

32. The Committee recommend that the Bill, as amended, be passed.

S. V. KRISHNAMOORTHY RAO,

Chairman,
Joint Committee.

NOTE

I do not want to give any minute of dissent, as I have finally not dissented from the decisions arrived at. But I have always felt and even now feel that restrictive provisions in law should not be introduced unless the same be necessary to prevent any fraud or dishonest practice or necessary to improve the standard.

In any event, no provision should be introduced if the only result is additional expense without any corresponding benefit.

There are some Clauses which come within both the above categories. They offer unnecessary opportunity for criticism of Government.

P. D. HIMATSINGKA

MINUTES OF DISSENT

I

I believe too frequent amendment of the Company Law is uncalled for. It does not allow the Corporate Sector of our economy to settle down to normal functioning. The Company Law was completely revised in 1956 with far-reaching amendments contained in as many as 658 Sections and 12 Schedules. Immediately thereafter, there were extensive amendments in 1960, then in 1962, then again in 1963 and further in 1964. The present Bill (Second Amendment Bill of 1964) is the fifth amendment Bill since the all-total revision of the Companies Act in 1956.

It is well-known that the cases into which the Vivian Bose Commission of Inquiry looked into and about which the Daphtary-Shastri Committee recommended, arose under the Companies Act of 1913, when the law and its administration were both loose and less stringent. But after major revision of the Company Law in 1956, as the Government spokesmen in the Parliament have themselves stated, there has hardly been any serious infringement of the Law. The Reports on the working and administration of the Companies Act also bear this out from year to year. It seems, however, while paying lip-sympathy to the role of the Corporate Sector in our mixed economy the Government are out to catch every pretext to enfetter the normal functioning of companies and assume more and more powers for themselves, which of course would give rise to corruption and political patronage.

This is especially unfortunate at a time when the economy of the country is in a sorry plight. Shortages all around, failure to achieve targets, soaring prices and a critical foreign-exchange position are but symptoms of the economic mess in which the Finance Ministry finds itself today. The capital market is dead and the investment climate has petered out. The only sane policy at this juncture is to help mobilise more and more savings into channels of joint-stock activity, with a view to rapidly increase production in all sectors of the economy. Frequent, undue and unimaginative tightening of the Company Law and vesting wide powers into the hands of the officials and their subordinates, positively defeat this purpose, discourage corporate activity in the country and disillusion the hesitant foreign participant in equity capital.

Coming to the specific provisions of the Bill as emerging out of the Joint Committee, Clause 13 now provides that all transfers of shares shall be in a prescribed form, with the date stamped thereon by the prescribed authority and shall be delivered to the Company for registration within six months in the case of quoted shares and within two months in all other cases. Transfers deposited with the State Bank or any Scheduled Bank or financial institution approved by the Company Law Board, by way of security against a loan, are exempted. The Company Law Board are also empowered, in cases of hardship, to extend the time limit for delivering the transfers to the Company for registration. I believe this time limit of six months and two months is too short and should be extended at least to one year clearly in the statute. Moreover, exemptions should also have been made in the case of recognised trust holding blank transfers given by the trustee nominally holding in his name the shares belonging to the trust, in the case of companies giving guarantees and in the case of a company nominating a director on the board of another company and allowing that director to hold the qualification shares in his own name. Transfers of shares of private companies should also have been exempted, as recommended by the Inquiry Commission. I also believe that the issue of thousands of prescribed transfer forms daily, with the date marked thereon, by one prescribed authority, would only entail undue delay, thereby impairing the normal working of the stock exchanges in the country and giving rise to corrupt practices.

Clause 35 precludes a person from holding the directorship of a public company or of a private company which is a subsidiary of a public company, after he attains the age of seventy-five. I believe holding of high offices after the age of seventy-five should not be the privilege of politicians only. When a company in a general meeting approves by a special resolution any director continuing on its board after he attains the age of seventy-five, he should be allowed to continue. This will help the company to be assured of the experienced direction of a founder or a promoter, if he is in active health after the age of seventy-five.

Clause 44 widens the restrictions under Section 370 of the principal Act, on inter-company loans. The new proviso prescribes a limit of thirty per cent of the subscribed capital and free reserves of the lending company, for loans to any body corporate, not under the same management as the lending company and a limit of twenty per cent of the subscribed capital and free reserves of the lending company for loans to companies under the same management as the lending company. Within these limits (except up to ten per cent of the subscribed capital and free reserves of the lending company for loans to companies not under the same management) a special resolution authorising the lending company to make loans up to the prescribed limits would be now required. For making loans beyond these prescribed limits, prior approval of the Central Government will have to be obtained. I believe these restrictions are unnecessary and would only hamper the free flow of essential day-to-day working capital. Many companies have surplus funds while many others are in need of funds to tide over temporary difficulties. The surplus funds adjust themselves to the emergent spots at the proper rate of interest for just the necessary time. The prior approval of the Central Government for making loans beyond the prescribed limits, which by themselves are meagre may take six to eight months, by which time the very purpose of the loan would be lost. This clause ignores the essential temporary and emergent character of inter-company loans and would only make the day-to-day working of companies more difficult and irksome. The existing provisions of the Companies Act (Sections 295, 369 and 370) already provide for the necessary restrictions on the powers to make loans and further restrictions are absolutely uncalled for.

Everybody appreciates that a certain degree of control over management is necessary in the interest of the investing public. But the existing Company Law is already voluminous and complex. Even now for almost everything the companies have to look to the Government for approval. Before the companies know the existing law and normalise themselves, a further spate of amendments are coming almost every year, at times twice a year. Such incessant bewildering change of law in a vital sphere of productive activity, would only imperil the economy of the country.

II

यह प्रसन्नता की बात है कि प्रवर समिति में हुई चर्चा के फलस्वरूप कम्पनी संशोधन विधेयक में कई संशोधन किये गये। फिर भी कुछ बातों के संबंध में असहमति होने के कारण यह असहमति-पत्र प्रस्तुत कर रहा हूं।

संशोधन विधेयक के खंड 3 के उपखंड (1) में जो "Voucher" शब्द जोड़ा जा रहा है उसके परिणामस्वरूप प्रत्येक कम्पनी को 8 वर्षों तक समस्त आधार-पत्र, जिनमें न्यूनतम दाम के भी सम्मिलित रहेंगे, सम्भाल कर रखने पड़ेंगे। यह अनावश्यक एवं कठिन कार्य है। अत एव आधार-पत्रों के मूल्यों की सीमा बांध दी जानी चाहिये। मेरे मत से कम से कम 500 रुपये के मूल्य से अधिक के ही रखना आवश्यक होना चाहिये।

संशोधन विधेयक के खण्ड 3 के उपखण्ड (2) के द्वारा जो अधिकारी की परिभाषा में व्यापकता लाई जा रही है उसमें यह कठिनाई आ सकती है कि प्रस्तावित परिभाषा के अन्तर्गत जिसको कम्पनी अधिकारी नहीं माने उसे कम्पनी प्रशासक अधिकारी माने। परिणामस्वरूप, व्यर्थ ही विवादास्पद स्थिति निर्माण होगी। अत एव यह अवश्यक है कि कम्पनी प्रशासन प्रतिवर्ष यह घोषित करें कि अमुक अमुक व्यक्ति भी "अधिकारी" की श्रेणी में आता है जिसके बारे की जानकारियां विधान के अनुसार कम्पनियों को देनी पड़ती हैं, वे दे सकें।

संशोधन विधेयक के खण्ड 8 द्वारा मूल विधान की धारा 68 ए में संशोधन चाहा गया है जिसके परिणामस्वरूप कम्पनी से हिस्से प्राप्त करने के लिये यदि कोई व्यक्ति बनावटी प्रार्थना-पत्र दे अथवा कम्पनी को बनावटी नाम पर हिस्से देने, पंजीकृत करने, हस्तान्तरित करने में प्रेरित करे तो वह सजा का पात्र होगा।

कभी इस प्रकार की स्थिति का निर्माण हो सकता है कि बनावटी नाम पर हिस्से दिये जाने आदि के बारे में आये प्रार्थना-पत्र को जब संचालक विचारार्थ लेकर, यह न जानते हुए कि यह प्रार्थना-पत्र बनावटी है अथवा सही, उसको देने, पंजीकृत करने अथवा हस्तान्तरित करने का आदेश दे सकते हैं, वैसी स्थिति में संचालक अथवा सम्बन्धित अधिकारी प्रेरित करने की परिधि में आते हैं और बिना जाने किये कार्य के लिये भी 5 वर्ष के कारावास के भागी बन सकते हैं। उस स्थिति से बचने के लिये यह अत्यन्त आवश्यक है कि प्रस्तावित धारा 68 ए (1) में "कोई भी व्यक्ति जो" ("any person who") के स्थान पर "कोई भी व्यक्ति जो जानबूझ कर" ("any person who knowingly") लिखा जाना चाहिये।

संशोधन विधेयक के खंड 8 के द्वारा जो भी व्यक्ति बनावटी प्रार्थना-पत्र देगा, उसे दण्डित किया जायेगा। किन्तु उसको ऐसी गलत सलाह देने वाले व्यक्ति को दण्ड का भागी नहीं बनाया गया। अत एव प्रस्तावित धारा 68 ए (1) (ए) में "makes" के स्थान पर "makes or causes to be made" लिखना चाहिये।

संशोधन विधेयक के खंड 13 में काफी परिवर्तन किये गये हैं। फिर भी इसमें ट्रस्ट के पास रहने वाले हिस्सों को भी संशोधन के द्वारा चाहे गये बन्धनों से मुक्त रखना चाहिये। कारण विधान के अन्तर्गत ट्रस्ट के नाम पर हिस्से पंजीकृत

नहीं किये जा सकते; वे किसी भी ट्रस्टी अथवा ट्रस्ट के नामांकित व्यक्ति के ही नाम रजिस्टर किये जा सकते हैं, जिससे ट्रस्ट का अहित हो सकता है। उस अहित से बचने के लिये ट्रस्ट में यह परम्परा चली आ रही है कि ट्रस्ट के पास शेयर सर्टिफिकेट तथा ब्लैंक ट्रांसफर के पत्रक रहते हैं। उस परम्परा से कोई हानि प्रतीत नहीं होती। अत एव ट्रस्ट के पास रहने वाले हिस्सों को भी चाहे गये बन्धनों से मुक्त रखना चाहिये।

संशोधित संशोधन विधेयक के खंड 20 से उप-खंड (व) द्वारा चाहा गया है कि कम्पनी के रजिस्ट्रार अथवा केन्द्रीय शासन द्वारा नियुक्त कोई भी अधिकारी बिना पूर्वसूचना दिये कम्पनी के हिसाब, किताब कागजात आदि देख सकता है।

उपयुक्त यह होता कि इस विधान में यह कोई भी अधिकारी के रूप में व्यापक शासन व्यापन अधिकार लेने की अपेक्षा यह बन्धन रखें कि कोई भी अधिकारी जो असिस्टेंट रजिस्ट्रार से कम पद वाला न होगा उसी को जांच के लिये अधिकृत किया जावेगा।

साथ ही सूचना दिये बिना ही जांच करने जाना व्यर्थ की परेशानियां बढ़ाना होगा।

संशोधित संशोधन विधेयक के खंड 41 के द्वारा मूल विधान की धारा 309 में संशोधन चाहा गया है जिसके द्वारा संचालक द्वारा यदि तकनीकी योग्यता के कारण भी प्राप्त रकम पर भी बन्धन लगाया जाना है। जिस प्रकार व्यावसायिक (professional) प्रकार की सेवाओं को इसमें मुक्त किया गया है इसी प्रकार तकनीकी सेवाओं को भी मुक्त किया जाना चाहिये।

नई दिल्ली,   विमल कुमार चौरड़िया.
17 फरवरी 1965.

III

The Bill as reported by the Joint Committee has emerged greatly improved. I am largely in agreement with the various changes that have been made. I have, however, some changes to suggest in regard to some clauses mentioned below:

Clause 20 (*Original Clause* 21): In original clause 21, it was provided that the books of account shall be open to inspection during business hours by the Registrar or by any officer authorised by Government. It was also provided by means of a proviso, that no such inspection shall be made by the Registrar or such Officer unless he is of opinion that sufficient cause exists for such inspection. The proviso has been deleted by the Joint Committee and it is stated in the Report that the Committee feel that the inspection by the Registrar or an officer authorised by the Company Law Board should be a routine feature and not be of an *ad-hoc* or special nature. I feel that this change is not reasonable and that inspection should be made by the Registrar or other Officer only if he is satisfied or is of opinion that sufficient cause exists for the inspection. The original provision should stand.

Clause 27 (*Original Clause* 28): This clause amends section 241 and provides that interim reports submitted by an Inspector need not be sent to the company. I feel that the interim report as and when submitted by the Inspector should also be sent to the company. This is only fair, because if the company is furnished with a copy of the interim report, it will be able to make suitable representation to correct any misapprehension on the part of the Inspector. This will help in the final report being made on a correct appraisal of facts and circumstances.

Clause 51 (*Original Clause* 53): This clause proposes deletion of Sections 410 to 415 thereby abolishing the present Advisory Commission and constituting instead an Advisory Committee which will not, however, have the same powers and functions as the Advisory Commission. The setting up of the Advisory Commission was fully debated in Parliament when the Companies Bill of 1953 was under discussion. It was also carefully considered by the Joint Committee on the said Bill. The Joint Committee then recommended that the Advisory Commission should adequately represent the various interests concerned and that it should be put on a permanent basis. The then Finance Minister, Shri C. D. Deshmukh, while speaking in the Lok Sabha on the functions of the Advisory Commission, expressed the hope that in course of time the Advisory Commission will help Government to build up sound traditions for regulating the working of Joint Stock Companies in this country. The Reports of the Company Law Advisory Commission for the last several years which are appended to the Annual Reports on the Working and Administration on the Companies Act, 1956 furnish proof of its usefulness and also that it has been building up such sound traditions in respect of various matters which had come up before it. It has also, so far as I am aware, infused a sense of confidence in the business community, who have a feeling that their problems are also looked into by an impartial authority and are not dealt with arbitrarily by Government. In my opinion, it is very necessary that the sense of confidence which the working of the Advisory Commission has engendered in the business community should not be disturbed. In view of the careful consideration which had been given to this question by Parliament and by the interests concerned at the time of the deliberations on the Companies Bill, 1953, and in view of the successful working of the Advisory Commission during the past few years, I feel that the Advisory Commission should be retained. I am, therefore, for the deletion of this clause.

Clause 56 (*Original Clause 58*): A new section is proposed to be inserted so that Government or any person is not compelled to disclose the sources of information received by it or him to any Court, Tribunal or other authority. This provision in my opinion is not in consonance with sound Juridical principles. It will open up opportunities for supplying false information by interested parties in order to blackmail a company or those in management of a company for their ulterior objectives. Every person against whom any information is given is entitled to know the identity of the informant and has also a right to check on the integrity of the person and the authenticity of the information. I feel that if this right is not available to aggrieved parties, it will encourage black-mailing by unscrupulous persons and also encourage vindictive actions by prejudiced officers. The powers of a Court or a Tribunal which is a quasi-judicial body should not also be curtailed in an arbitrary and unfair manner.

N. C. CHATTERJEE

IV

This Bill seeks to implement the recommendations of the Commission of Inquiry and the Daphtary - Sastry Committee. The Joint Committee has taken this opportunity to:

(i) strengthen the provisions relating to investigation into the affairs of companies and provide for more effective audit in dealing with cases of dishonesty and fraud in the corporate sector; and

(ii) simplify some of the procedural matters.

But if we go through the amended Bill, in all its practical aspects, we can say without any fear of contradiction that the Joint Committee have failed to meet the real object of the Bill by ignoring certain important demands of the share-holders' associations and chartered accountants' association and prominent auditors' views as urged by them in their respective memoranda and evidence tendered before the Joint Committee.

One of the main demands of the share-holders association was to provide a statutory obligation on the part of the Directors and managing agents to take necessary approval of the general body of shareholders in respect of all matters of financial dealings. Each and every share-holder should be individually informed at least one month before the meeting about the proposed resolutions and actions to be brought before the general body meeting, besides news-paper publications. Except few major financial business, there is no amendment to meet the general but rightful desire of the share-holders as such. The scope of strength and working freedom should be enlarged whereas all public limited companies' authority and scope of working should be exercised absolutely with broad based principles of democracy and soicalism by accepting all special resolutions that are passed on the basic ideology of voting, *i.e.*, "one man one vote" irrespective of his share contributions.

If this procedure is not introduced in all public limited companies, the purpose of all special resolutions would be defeated by big financial magnates in all public companies. Hence I disagree with the amended Bill simply providing special resolutions without introducing the principle of "one man one vote" irrespective of his/her share-values in that particular company. Otherwise, the affairs of companies, at least in dealing with cases of dishonesty and fraud in the Public Corporate Sector, cannot be investigated properly. The spirit of that object will be defeated.

It is necessary to appoint independent auditors with strong character for making the audit more effective and purposeful. The Central Government should maintain a list of expert auditors, Chartered Accountants and Cost Accountants in consultation with the Chartered Accountants Associations and Cost Accountants Bodies as approved by the Union Government. The rules and procedures of auditing systems in various fields should be framed and accepted with full consultation of respective recognised auditors and their organised bodies. At every step their active consultation and co-operative efforts will give good results to remove dishonesty and fraud in the Corporate Sector. The auditors' position should not be as that of a Commission agent or servant of any company, but his position should be a very powerful one who can play an eminent part to check all kinds of malpractices committed by officials of Company Law administration or Directors of any company. Any company may go astray if such full powers are not vested in auditors and their parent bodies to supervise, guide and control the finances according to the strict observation of the respective bye-laws that are accepted by the general body of share-holders. So there should be statutory provision to have frequent consultations and investigations of frauds in the companies by the auditors or group of auditors' body with independent powers to take necessary steps to remedy the situation. Company Law administration is more powerful which is likely to become over-lord of the companies and it is but natural that absolute powers will positively corrupt the Company Law administration. Therefore, always there should be a statutory obligation on the part of the administration so that each and every action or rules and regulations of auditors and accounting system should be laid on the Table of both the Houses of Parliament. In case of glaring injustice by Company Law administration, a discussion may be raised in Parliament.

There are so many small and medium size companies having very little profit. During initial periods every company will gain no profit or there may even be some losses to the new companies. Therefore, it would be grave injustice to the directors or managing partners to fix their remuneration only on the basis of profit percentage. As a special remuneration to the working directors for a specific period at least, a total of one thousand rupees per month should be given as per the approval of the share-holders' general body meeting instead of restricting the remuneration only on profit percentage basis, certain amount as decided by the general body members should be given to the working directors according to their capacity and abilities.

Many political parties, especially the ruling party, depend upon public and private companies' donations to further their programmes. Under the existing law upto 5 per cent of the net profits can be donated to any political party as per decision of the directors only, whereas general share-holders belong to all political parties. Therefore, clause 44 (Original Clause 46) may be amended with the following proviso to check the political interference in the administration of companies.

> "Provided further that the total donations so made to all political parties and charitable registered institutions corporate shall not exceed without the prior approval of the general meeting of the share-holders .
>
> (a) Five per cent of the net profit for the current balance sheet of the previous year of the donating company;
>
> (b) any percentage of the net profit or reserve fund of the liquidating company where all such donations are made

> to any of the charitable non-political institutions as recommended and approved by the special resolution of the share-holders passed by two-third majority in such general meeting."

The assets of any liquidating company may be transferred to any one or more charitable non-political institutions as approved by the share-holders of that company. Hence I am obliged to record my minute of dissent.

SIVAMURTHI SWAMY

V

कम्पनी कानून द्वितीय संशोधन विधेयक का संयुक्त संसदीय समिति में जो संशोधित रूप बना है उसके कुछ पहलुओं से मैं सहमत नहीं हूं। अपना असहमति-पत्र मैं नीचे प्रस्तुत कर रहा हूं :—

इस कम्पनी संशोधन विधेयक का उद्देश्य कम्पनियों के संचालन में जो अनाचार और अप्रवृत्तियां पाई गई हैं उनको दूर करना है। विवियन बोस जांच समिति की रिपोर्ट से सार्वजनिक हित तथा हिस्सेदारों के हित पर तिलांजलि देकर अपना स्वार्थ साधने की समाज विरोधी प्रवृत्ति पर काफी प्रकाश पड़ा। इन प्रवृत्तियों पर रोक लगाना उचित और आवश्यक भी है। मगर केन्द्रीय सरकार तथा उसकी नौकरशाही के हाथों में अनिर्बन्ध अधिकार देने से क्या समाज हित की रक्षा होगी? वर्तमान स्थिति में अगर सरकार और नौकरशाही को हर मामले में निश्चित और सीमित नहीं बल्कि व्यापक विवेकाधीन अधिकार दिये गये तो उसके दो बुरे नतीजे निकलेंगे:

(क) सरकार को और उस पर कब्जा होने के फलस्वरूप सत्तारूढ़ दल को निजी पूंजी और निजी क्षेत्र को अपने दलीय प्रभाव में ला कर उनसे नाजायज तरीकों से चन्दा इकट्ठा करने का और ज्यादा मौका मिलेगा; (ख) भ्रष्टाचार के वर्तमान वातावरण में अपने नये अधिकारों का दुरुपयोग कर निजी क्षेत्र को और औद्योगिक संचालकों को बिना वजह सताने की धमकी देकर पैसा बनाने का नौकरशाही को भी अवसर मिलेगा। इसलिए जहां कम्पनियों के अनाचार पर रोक लगानी चाहिए वहां नौकरशाही को भी एक मर्यादा के अन्दर बांधना चाहिए। जो कम्पनियां और जो उद्योग समाजहित विरोधी काम करते हैं उनके सीधा राष्ट्रीयकरण करना अच्छा होगा बनिस्बत इसके कि सरकार और नौकरशाही को उनके ऊपर नियंत्रण रखने के हेतु हम अमर्यादित अधिकार प्रदान करें।

संयुक्त समिति द्वारा संशोधित विधेयक में केन्द्रीय सरकार को निम्न व्यापक विवेकाधीन अधिकार दिये गये हैं जिनका दुरुपयोग होने का मुझे अंदेशा है :—

(एक) खण्ड 15 के अनुसार कम्पनी की साधारण सभा में विशेष प्रस्ताव पारित न होने पर भी नया धन्धा करने की छट संचालकों को देने का अधिकार सरकार को मिलता है। अच्छा तो यह होता कि सरकार को उस में छूट देने का अधिकार न होता या विशेष प्रस्ताव की जगह पर बहुमत वाले प्रस्ताव का प्रबन्ध होता।

(दो) खण्ड 20 के अन्तर्गत बिना कोई कारण बताये या पूर्व सूचना दिये रजिस्ट्रार या और किसी सरकारी अधिकारी को कम्पनियों की हिसाब की किताबें आदि देखने का अधिकार है। इस अधिकार के बारे में मुझे कुछ नहीं कहना है। मगर मैं चाहता हूं कि किताब देखने के पहले वह अपनी राय लिखित रूप में नोट करें कि वह क्यों ये सब देखना चाहता है। इससे इस व्यापक अधिकार का दुरुपयोग नहीं होगा और कम्पनियों के अनाचार पर नियंत्रण भी रहेगा।

(तीन) खण्ड 25 के मातहत इंस्पेक्टर को कम्पनियों से जानकारी हासिल करने का या उनसे किताब आदि मांगने का अधिकार मिलता है। साथ ही यह काम करने के लिए दूसरे किसी भी व्यक्ति को अधिकृत करने की सत्ता भी उसको मिल गई है। मेरी राय में यह उचित नहीं है। यह अधिकार किन किन लोगों को होगा यह कानन ही में स्पष्ट कर देना चाहिए। मेरी राय में यह अधिकार इंस्पेक्टर स्तर के अधिकारियों ही को दिया जाये।

(चार) खण्ड 13 में अनाम हस्तांतरण (ब्लैंक ट्रांसफर) के चलन की मियाद को बढ़ाने का अधिकार कम्पनी कानन बोर्ड को मिला है। अधिक से अधिक कितना समय बढ़ाया जाय यह कानन ही में कह देना उचित होगा। मेरा सुझाव है कि यह सीमा एक साल की हो। अपील करने पर इसमें कम्पनी कानन बोर्ड द्वारा जो अपवाद किये जायेंगे उनके प्रकाशन की सिर्फ व्यवस्था करने से काम नहीं चलेगा। कंपनी कानन बोर्ड के अधिकार पर भी मर्यादा लगानी चाहिए।

(पांच) खण्ड 44 के अन्तर्गत कम्पनियों द्वारा अन्य कम्पनियों को कर्जा देने पर 30 और 20 प्रतिशत तक की मर्यादा निश्चित की गई है। मगर इसमें चाहे जितनी छूट देने का सम्पूर्ण अधिकार केन्द्रीय सरकार को दिया गया है। अगर ऐसा माना जाता है कि विधेयक में जो मर्यादा रखी गई है वह बहुत कम है तो उसको थोड़ा बहुत बढ़ाया जाता। मगर बिना मर्यादा वाला अधिकार नौकरशाही को देने के पक्ष में मैं नहीं हूं।

(छे) इसी खण्ड 44 में यह संशोधन पास होने के पूर्व दिया गया कर्जा चुकाने सम्बन्धी निश्चित की गई काल मर्यादा बढाने का अधिकार सरकार ने ले रखा हैं। वाकई इस सरकार की और नौकरशाही की सत्तालालसा अद्भुत है। वर्तमान कानन के अन्तर्गत राजनीतिक दलों को चन्दा देने की छूट है। सरकार के हाथ में आज जो व्यापक नियंत्रण अधिकार हैं उनके फलस्वरूप सत्तारूढ़ दल ने निजी क्षेत्र से हमेशा चन्दा वसूला है। इसका लेखा जोखा वित्त मंत्रालय मंत्री ने फिलहाल ही प्रस्तुत किया है। यह कम्पनियों द्वारा दिया गया अधिकृत चन्दा है। अनधिकृत चन्दे का उसमें उल्लेख तक नहीं है। वह तो उससे कई गुना ज्यादा होगा। सरकारी जानकारी के मुताबिक 1961 के पश्चात् दो वर्षों की रपट के आधार पर कम्पनियों द्वारा कुल रु० 1,15,00,000 विभिन्न राजनीतिक दलों को दिया गया। उसमें सत्तारूढ़ दल का हिस्सा रुपया 98 लाख से भी अधिक, स्वतंत्र पार्टी का रु० 15 लाख 65 हजार, प्रजा सोशलिस्ट पार्टी का रु० 54,000, कम्युनिस्ट पार्टी का रु० 2,800 और सोशलिस्टों का सिर्फ रुपया 351 रहा। वर्तमान नियंत्रण-अधिकारों का इस्तेमाल कैसे होता है यह इन आंकड़ों से बिल्कुल साफ होता है। जिस तरह सरकार वर्तमान अधिकारों का दुरुपयोग करती है उसी तरह निजी पूंजी भी भ्रष्टाचार का इस्तेमाल कर अपने मकसद को हासिल करती है। और दोनों मिलकर आम जनता का और ग्राहकों का शोषण करते हैं। इसलिए इस विधेयक की उपरोक्त धाराओं के मैं विरुद्ध हूँ।

खण्ड 35 के जरिये सार्वजनिक कम्पनियों तथा उनसे नियंत्रित कम्पनियों के निर्देशकों पर पहले जो आयु सीमा थी वह बढाकर अब 75 की गई है। मैं

चाहता हूं कि यह सीमा 65 हो। संयुक्त समिति के सामने यह कहा गया कि अगर मंत्रियों पर आयु सीमा नहीं है तो निर्देशकों पर क्यों? मेरा जवाब यह है कि यह सीमा निर्देशकों पर भी रहे और मंत्रियों पर भी। यहां यह कहना गैर-मुनासिब नहीं होगा कि सरकारी नौकरों के लिए यह आयु सीमा 58, उच्च न्यायालयों के जजों के लिए 60, और सर्वोच्च न्यायालय के जजों के लिए 65 है। फिर निर्देशकों के लिए अपवाद क्यों? जब तक ऐसी सीमा नहीं रहेगी औद्योगिक तथा दूसरे किसी क्षेत्र में युवकों को और नये लोगों को कोई मौका नहीं मिलेगा आगे बढ़ने का या तेजी से नवनिर्माण करने का।

मधु लिमये.

VI

We are afraid that the present piece of Legislation, far from removing the lacunae and plugging the loopholes, has given further lease to the malpractices by the companies and corporate sector. It is regrettable to note that even the amendments that were suggested in the Bill have been watered down in the Joint Committee.

Regarding the blank transfer system, we strongly feel that it should have been completely abolished as in the United Kingdom. While the Government is fully aware of the havoc done by the business tycoons with the nefarious practice of blank transfer system, still they plead helpless in rooting out this evil. Coming to clause 23 (original clause 24) the Joint Committee have recommended that chartered accountants who may possess the required qualities should also be allowed to undertake cost audit. The reasons that the number of cost accountants in practice is very limited does not appear to be justified to us. We feel that if enough scope is given, more cost accountants will become available. Even if the required number of cost accountants were not forthcoming the Government may have constituted a separate cadre of cost accountants as full time public servants to carry on the job.

NEW DELHI; DINEN BHATTACHARAYA

Dated the 22nd February, 1965. K. K. WARIOR

VII

It was after prolonged, exhaustive and protracted enquiries extending over some years, that the law relating to companies in India was thoroughly recast and comprehensively codified in a voluminous self-contained enactment,—The Companies Act, 1956,—containing 658 Sections and XII Schedules. It was further amended extensively in 1960, 1962, 1963 and 1964. The present Bill,—The Companies (Second Amendment) Bill of 1964, seeks once again to amend it very extensively.

The continual amendment of such an important enactment governing a very significant and most active part of the Private Sector in the Indian economy is itself a sufficient condemnation of the present Bill. This *a priori* view is strengthened by a closer examination of the ostensible reasons advanced in support of it, namely, that it seeks:

(a) to implement the recommendations of the Commission of Inquiry into the administration of the Dalmia-Jain Companies, as reported upon by the Daphtary-Sastri Committee ;

(b) to strengthen the provisions relating to investigation into the affairs of companies ;

(c) to provide for more effective audit in dealing with cases of dishonesty and fraud in the corporate sector ; and

(d) to simplify some of the procedural requirements which are at present burdensome to the companies without being of corresponding advantage to Government.

Of the foregoing reasons for introducing this Bill, it is plain that the last of them was merely incidental. The principal reasons advanced in support of this measure were admittedly those indicated at (a), (b) and (c) above. But on examining these more closely, it transpires that as regards the first and most important of them there was no evidence at all,—certainly none was adduced on behalf of Government before the Joint Committee,—that fraudulent practices of the kind discovered in the Dalmia-Jain Companies were "legally" possible, or had in fact been resorted to, even under the present state of the law. It is important to note in this connection that the legal framework within which industrial and commercial concerns in the corporate sector have now to operate is far more complex than was the case before 1953. They have now to comply not merely with the complicated and rigorous provisions of an all-embracing Companies Act, but also with other relevant and very comprehensive group of legislation such as that regulating the Issue of Capital, the licensing of new industrial units and of their expansion, the licensing of Import of Capital Goods, Raw Materials, Stores and Spares, the Regulation of Foreign Exchange transactions and the like. With this sort of multifarious and integrated regulatory legislation already in force, governing almost every important area of activity, superimposed upon the already comprehensive Companies Act, *it is in my opinion quite unlikely that " legal frauds " in company management and administration of the kind and magnitude disclosed in the Dalmia-Jain Companies can occur any longer.*

The other two purposes advanced in support of this Bill, namely to strengthen the provisions relating to investigation into the affairs of companies and to provide for more effective audit in dealing with cases of dishonesty and fraud, are also entirely unsupported by any evidence justifying the need for such extra-ordinarily *wide-sweeping powers* as are sought to be conferred upon the Central Government for these purposes by this Bill. Moreover, while the "Statement of Objects and Reason" refers in this connection to additional powers required in dealing with specific cases of this type, the relevant clauses in the Bill go much further and are designed to confer upon the Central Government draconian powers over *all* companies, regardless of the character of their management.

I am firmly of opinion that this measure is both unnecessary and undesirable. It will confer powers upon the Company Law Board and/or the Central Government in relation to the generality of companies which are quite uncalled for. It will cast an unjust and grievous burden upon the vast majority of honest companies, most of them engaged in medium or small scale industries, just at a time when the most urgent need is the private sector should rapidly and vigorously go forward and produce more and more goods and services so that the economy, which has been stagnant in recent years and is now in the grip of acute inflation, may once again become as buoyant as it was some four or five years ago. If this measure is enacted the capital and investment market will continue to remain depressed ; the economy will remain stagnant ; and perhaps, its gravest consequence will be not merely to discourage in foreign investment and/or collaboration in Indian projects, but even to induce a good deal of dis-investment. I am strongly of opinion, therefore, that this Bill should be withdrawn.

Subject to my basic objection to the Bill as a whole I turn now to some of the specific clauses of Bill as reported by the Joint Committee. While the Bill has emerged from the Committee with some improvement, there remain many matters in respect of which it still requires to be considerably altered. Some of the more important of these are mentioned below:—

Clause 13—This clause suffers from two major defects, namely:

(1) The period of currency of blank transfers in the prescribed form should be twelve months, instead of six.
Without this, the liquidity of the share markets will be seriously impaired.

(2) In the case of Shares held in fiduciary capacity, there shoud be no time limit to the currency of blank transfers as in the case of Shares pledged with banks and other financial institutions.

Clause 20 (*Orignal Clause* 21)—In this clause as orginally drafted it was provided (by means of a proviso) that the books of account of a company shall be open to inspection during business hours by the Registrar or by any Officer authorised by Government *provided* he was of opinion that sufficient cause existed for such inspection. That proviso has been deleted by the Joint Committee on the ground that the inspection by the Registrar or an Officer authorised by the Company Law Board should be a routine feature of the administration of Company Law in this country. This is not reasonable, for I feel that such inspection by the Registrar or other Officer should be made only if he is satisfied that sufficient and specific cause exists for the inspection. The original proviso should therefore be restored.

Clause 21 (*Original Clause* 22)—Sub-Clause (b) should be deleted altogether, as it virtually confers unlimited power upon the Central Government to enact substantive legislation concerning the duties and responsibilities of Auditors far beyond anything contemplated by Section 227 of the principal Act.

Clause 23 (*Original Clause* 24) —This Clause, which provides for the compulsory audit of *cost accounts* of companies engaged in production, processing, manufacturing or mining activities, should be deleted altogether for the following reasons :—

(i) The regular maintenance of proper cost accounts, which it implies, presupposes a sophisticated stage of industrial development and management accounting which it will take considerable time to reach in this country.

(ii) It was admitted in the evidence submitted before the Joint Committee on behalf of two such authoritative bodies as Institute of Chartered Accountants of India and the Institute Cost & Works Accountants of India that no more than about 20 per cent of companies in India were maintaining any sort of cost accounts properly so called.

(iii) To require a statutory audit of cost accounts would, in these circumstances, be wholly premature.

(iv) It would impose an unwarranted burden upon small companies engaged in medium and small scale industries.

(v) It was also admitted that the number of experienced accountants, especially Cost Accountants, competent to undertake such audit was strictly limited, there being only some eight or ten firms of Cost Accountants in practice.

(vi) Moreover, to prescribe an audit of cost accounts independently of the audit of financial accounts, as is proposed in this clause, could lead to conflict and confusion as between the two.

(vii) The disclosure of the cost structure of companies engaged in competitive enterprises would cause serious disadvantage to the best managed companies ; and this sort of prospect (of publicity being given to confidential cost data) would almost certainly persuade many prospective foreign concerns not to proceed with their investment and/or collaboration projects in India. It would be no answer to their genuine apprehensions in this respect that the Cost Audit Report would be submitted only to the Central Government and would not have to be filed with the Registrar of Companies. Once a statutory Cost Audit was known to have been undertaken every Share-holder would be entitled to have a copy of the relevant Audit Report, with the result that the confidential character of the cost data could not possibly be preserved.

(viii) So far as is known, there is no other country in which companies are required *by law* to maintain cost accounts or to have them audited.

Clause 25 (*Original Clause* 26)—This clause, in so far as it applies to a company whose affairs are *not* under investigation, that is to say, to a body corporate "other than a body corporate referred to in sub-section (1) of Section 240)" needs extensive amendment. The effect of this Clause as it stands is that such a company would be treated in all respect on the same footing as if its affairs were also under investigation. This is most unreasonable and would be destructive of the credit and reputation of such companies.

Clause 51 (*Original Clause* 53)—By this Clause, which deletes Sections 410 to 415 of the Principal Act, it is proposed to abolish the

Company Law Advisory Commission and to appoint instead an "Advisory Committee" for advising upon "such matters arising out of the administration of this Act as may be referred to it" by the Central Government or the Company Law Board.

This Constitutes a complete reversal of policy without any justification whatsoever. The setting up of the Advisory Commission as a permanent feature of the Company Law administration was carefully examined by the Joint Committee on the Companies Bill, 1953 and was subsequently fully debated and approved in Parliament. On that occasion the then Finance Minister made the following statement in Parliament:—

> "In future the permanent Advisory Commission will have the duty of advising Government in respect of those matters which are specifically provided in the Bill......it is my hope that in course of time this Advisory Commission will help Government to build up sound traditions for regulating the working of joint stock companies in this country."
>
> "I should say that the chances are that in almost all cases—I should not like to mention a percentage—we shall be guided by the advice of the Advisory Commission."
>
> "What I foresee is that a body of case law will grow as a result of the close working of the advisory commission and the central authority. Both of them will learn,......what I expect is as a result of these discussions, a body of case law and philosophy will grow, and we shall jointly regulate the affairs of the companies in these respects which are in controversy today".

As against this, neither in the "Statement of Objects and Reasons" nor in the "Notes on Clauses" of the present Bill are there any reasons advanced for abolishing what was intended to be, and what indeed Parliament desired should be, a "permanent" Commission. Similarly, even in the Joint Committee, no attempt was made to justify this drastic proposal.

The Reports of the Company Law Advisory Commission and of the Company Law Administration for the last several years furnish ample proof of the usefulness of the Commission over these years. The present sections 410 to 415 include provisions which made it obligatory for Government to refer certain important matters to the Advisory Commission for their advice. In the discharge of its duties the Commission has done much to inspire confidence in the corporate sector *vis-a-vis* the exercise of purely executive powers by Government in a field in which such powers are vast and all pervasive and the scope for arbitrary decisions extensive. The Advisory Commission has, in fact, gone a long way towards fulfilling those hopes and expectations with which it was constituted with the full approval of Parliament. In these circumstances, I am unable to see any justification whatsoever for replacing the Commission by an "Advisory Committee" which need not be consulted by Government at all and which, having no statutory powers or duties, can fill only a minor role of little value either to Government or to the corporate sector. This Clause should therefore be deleted.

Clause 56 (*Original Clause* 58)—This is a most extraordinary provision. It seeks to substitute the present Section 635A of principal Act by two new Sections 635A and 635AA which would have the effect not merely of protecting the Government and public servants for anything done in good faith but also of shielding informers and blackmailers even when, *acting in bad faith*, they may active the machinery of Government against innocent parties. To claim the privilege of secrecy, even against courts and tribunals, so as to resist the demand by injured parties for the disclosure of the source of information which may have resulted in their harassment or in wrongful action being taken against them, can never be justified. The sort of claim, if conceded, would almost certainly lead to grave abuses. It would lay the basis for false information by interested parties and even blackmailers against a company and its management; and it can also be misused as a weapon for political purpose. In view of this, the proposed new section 635 AA sought to be inserted by this Clause should be deleted.

Bill No. 64 B of 1964

THE COMPANIES (SECOND AMENDMENT) BILL, 1964

[AS REPORTED BY THE JOINT COMMITTEE]

(Words side-lined or underlined indicate the amendments suggested by the Committee; asterisks indicate omissions)

A

BILL

further to ammend the Companies Act, 1956

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. (1) **Short title and commencement.**—This Act may be called the Compainies (* * Amendment) Act, 1965.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act.

2. **Amendment of Section 1 of 1956**—In section 1 of the Companies Act, 1956 1 of 1956 (hereinafter referred to as the principal Act), in sub-section (3), the following further proviso shall be inserted at the end, namely:—

"Provided further that it shall apply to the State of Nagaland subject to such modifications, if any, as the Central Government may, by notification in the Official Gazette, specify."

3. **Amendment of Section 2.**—In section 2 of the principal Act

(*i*) in clause (8), after the word "deeds" the word "vouchers" shall be inserted;

(*ii*) in clause (30), after the words "manager or secretary," the words "or any person in accordance with whose directions or instructions the Board of directors or any one or more of the directors is or are accustomed to act," shall be inserted.

4. **Amendment of Section 10 E.**—In section 10E of the principal Act, after sub-section (4), the following sub-section shall be inserted, namely:—

"(4A) The Bord, with the previous approval of the Central Government, may, by order in writing, authorize the chairman or any of its other members or its principal officer (whether known as secretary or by any other name) to exercise and discharge, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions as it may think fit; and every order made or act done in the exercise of such powers or discharge of such functions shall be deemed to be the order or act, as the case may be, of the Board."

5. **Amendment of Section 13.**—In section 13 of the principal Act, in sub-section (1),—

(*i*) in clause (*b*), the word "and" shall be omitted;

(*ii*) for clause (*c*), the following clauses shall be substituted namely:—

"(*c*) in the case of a company in existence immediately, before the commencement of the Compaines (Amendment) Act, 1965, the objects of the compony;

(*d*) in the case of a company formed after such commencement:

(*i*) the main objects of the company to be pursued by the company on its incorporation and objects incidental or ancillary to the attainment of the main objects;

(*ii*) other objects of the company not included in sub-clause (*i*); and

(*e*) in the case of companies (other than trading corporations) with objects not confined to one State, the States to whose territories the objects extend."

6. **Amendment of Section 21.**—To section 21 of the principal Act, the following proviso shall be added, namely:—

'Provided that no such approval shall be required where the only change in the name of a company is the addition thereto or, as the case may be, the deletion therefrom, of the word "Private", consequent on the conversion in accordance with the provisions of this Act of a public company into a private company or of a private company into a public company.'

7. **Amendment of Section 43A.**—In section 43 A of the principal Act, in sub-section (6), after clause (a), the following clause shall be inserted, namely:—

" (*aa*) to a private company in which shares are held by one or more bodies corporate incorporated outside India, which or each of which, if incorporated in India, would be a private company within the meaning of this Act, if the Central Government, on an application made to it in this behalf by that private company, by order so directs; or".

8. **Insertion of new Section 68A.**—After section 68 of the principal Act, under the sub-heading "*Prospectus*", the following section shall be inserted, namely :—

Personation for acquisition, etc., of shares.—"68A, (1) Any person who—

(*a*) makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or

(*b*) otherwise induces a company to allot, or register any transfer of, shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years.

(2) The provisions of sub-section (1) shall be prominently reproduced in every prospectus issued by the company and in every form of application for shares which is issued by the company to any person."

9. **Amendment of Section 69.**—In section 69 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely :—

"(4) All moneys received from applicants for shares shall be deposited and kept deposited in a Scheduled Bank—

(*a*) until the certificate to commence business is obtained under section 149, or

(*b*) where such certificate has already been obtained, until the entire amount payable on applications for shares in respect of the minimum subscription has been received by the company,

and where such amount * * * has not been received by the company within the time on the expiry of which the moneys received from the applicants for shares are required to be repaid without interest under sub-section (5), all moneys received from applicants for shares shall be returned in accordance with the provisions of that sub-section.

In the event of any contravention of the provisions of the sub-section, every promoter, director or other person who is knowingly responsible for such contravention shall be punishable with fine which may extend to five thousand rupees."

10. Amendment of Section 73.—In section 73 of the principal Act, in sub-section (5), for the words "permission shall not be deemed to be refused", the words "it shall not be deemed that permission has not been granted" shall be subtituted.

11. Amendment of Section 75.—In section 75 of the principal Act,—

(*a*) to clause (*a*) of sub-section (1), the following proviso shall be added, namely;—

"Provided that the company shall not show in such return any shares as having been allotted for cash if cash has not actually been received in respect of such allotment * * *";

(*b*) in sub-section (3), for the words "is inadequate, he may extend that period as he thinks fit", the following words shall be substituted, namely :—

"is or was inadequate, he may, on application made in that behalf by the company whether before or after the expiry of the said period, extend that period as he thinks fit";

(*c*) in sub-section (4), for the proviso, the following proviso shall be substituted, namely :—

"Provided that in case of contravention of the proviso to clause (*a*) of sub section (1), every such officer, and every promoter of the company who is guilty of the contravention shall be punishable with fine which may extend to five thousand rupees."

12. Amendment of Section 76.—In section 76 of the principal Act,—

(*a*) in sub-section (1)—

(*i*) in clause (*iii*), the word "and" occurring at the end shall be omitted:

(*ii*) in clause (*iv*), the word "and" shall be inserted at the end; and

(*iii*) after clause (*iv*), the following clause shall be inserted, namely:—

" (*v*) a copy of the contract for the payment of the commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration ";

(*b*) after sub-section (4), the following sub-section shall be inserted, namely :—

" (*4A*) For the removal of doubts it is hereby declared that no commission shall be paid under clause (*a*) of sub-section (1) to anyperson on shares or debentures which are not offered to the public for subscription :

Provided that where a person has subscribed or agreed to subscribe under clause (*a*) ofs ub-section (1) for any shares in, or debentures of, the company and before the issue of the prospectus or statement in lieu thereof any other person or persons has or have subscribed for any or all of those shares or debentures and that fact together with the aggregate amount of commission payable under this section in respect of such subscription is disclosed in such prospectus or statement, then, the company may pay commission to the first mentioned person in respect of such subscription."

13. Amendment of Section 108.—In section 108 of the principal Act, after sub-section (1), the following sub-sections shall be inserted, namely:—

" (*1A*) **Every instrument of transfer of shares—**

(*a*) **Shall be in the prescribed form obtainable from the prescribed authority who shall stamp or otherwise endorse thereon the date on which it is issued, and**

(*b*) **shall be delivered to the company,—**

(*i*) **in the case of shares dealt in or quoted on a recognised stock exchange within six months from such date,**

(*ii*) **in any other case, within two months from that date.**

(*1B*) Any instrument of transfer which is not in conformity with the provisions of sub-section (*1A*) shall not be accepted by a company after the expiry of six months of the coming into force of the Companies (Amendment) Act, 1965.

(*1C*) The provisions of sub-section (*1A*) shall not apply to any person depositing any shares with the State Bank of India or any scheduled bank or financial institution approved by the Company Law Board by notification in the Official Gazette, by way of security for the repayment of any loan advanced to or the performance of any obligation undertaken by, such person.

(*1D*) Notwithstanding anything in sub-sections (*1A*) or sub-section (*1B*), where in the opinion of the Company Law Board it is necessary so to do to avoid hardship in any case, the Board may on an application made to it in that behalf, extend the periods mentioned in those sub-sections by such further time as it may deem fit and the Central Government shall cause to be shown in the annual report laid before the Houses of Parliantment under section 638 the number of extensions granted hereunder and the period of each such extension."

14. Amendment of Section 111.—In section 111 of the principal, Act,. except in sub-section (*4A*) for the words "the Central Government" or the words "that Government", wherever they occur, the words "the Tribunal" shall, in respect of any appeal made after the commencement of this Act, be substituted.

15. Amendment of Section 149,—In section 149 of the principal Act, after sub-section (2), the following sub-sections shall be inserted, namely :—

"(*2A*) Without prejudice to the provisions of sub-section (1) and sub-section (2) a company having a share capital whether or not it has issued a prospectus inviting the public to subscribe for its shares, shall not at any time commence any business—

(*a*) if such company is a company in existence immediately before the commencement of the Companies (Amendment) Act, 1965, in relation to any of the objects stated in its memorandum in pursuance of clause (*c*) of sub-section (*1*) of section 13;

(*b*) if such company is a company formed after such commencement, in relation to any of the objects stated in its menorandum in pursuance of sub-clause (*ii*) of clause (d) of sub-section (*1*) of the said section,

unless—

(*i*) the company has approved of the commencement of any such business by a special resolution passed in that behalf by it in general meeting ; and

(*ii*) there has been filed with Registrar a duly verified declaration by one of the directors or the secretary, in the prescribed form, that clause (*i*) has been complied with ;

and if the company commences any such business in contravention of this sub-section, every person who is responsible for the contravention shall, without prejudice to any other liability, be punishable with fine which may extend to five hundred rupees for every day during which the contravention continues.

Explanation.—A company shall be deemed to commence any business within the meaning of clause (*a*) if and only if it commences any new business which is not germane to the business which it is carrying on at the commencement of the Companies (Amendment) Act, 1965 in relation to any of the objects referred to in the said clause.

(*2B*) Notwithstanding anything contained in sub-section (*2A*) where no such special resolution as is referred to in that sub-section is passed but the votes cast (whether on a show of hands or, as the case may be, on a poll) in favour of the proposal to commence any business contained in the resolution moved in that general meeting (including the casting vote, if any, of the, chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting, the Company Law Board may on an application made to it by the Board of directors in this behalf allow the company to commence such business as if the proposal had been passed by a special resolution by the company in general meeting. "

16. Amendment of section 153B.—In section 153B of the principal Act, in sub section (4),—

(*i*) in clause (*b*), for the words where the trust money invested in shares in, or debentures of, a company ", the words " where the value of the shares in, or debentures of, a company, held in trust " shall be substituted ;

(*ii*) the following *Explanation* shall be inserted at the end, namely : —

' *Explanation.*—The expression " the value of the shares in, or debentures of, a company " in clause (*b*) means,—

(*i*) in the case of shares or debentures acquired by way of allotment or transfer for consideration, the cost of acquisition thereof, and

(*ii*) in any other case, the paid-up value of the shares or debentures.

*

17. Amendment of section 163.—In section 163 of the principal Act, in sub-section (1), in the proviso, in clause (*i*), the word "and" shall be inserted at the end and clause (*ii*) shall be omitted.

18. Amendment of section 174.—In section 174 of the principal Act, in sub-section (1), for the words "public company, and two members personally present in the case of a private company", the words, brackets, figures and letter "public company (other than a public company which has become such by virtue of section 43A), and two members personally present in the case of any other company," shall be substituted.

19. Amendment of section 203.—In section 203 of the principal Act, in sub-section (6), the words, brackets and figures 'and for the purposes of the said sub-clause (*ii*), the expression "officer" shall include any person in accordance with whose directions or instructions the Board of directors of the company has been accustomed to act' shall be omitted.

20. Amendment of section 209.—In section 209 of the principal Act,—

(*a*) in sub-section (1)—

(*i*) in clause (*b*), the word "and" occurring at the end shall be omitted;

(*ii*) in clause (*c*), the word "and" shall be inserted at the end;

(*iii*) after clause (*c*), the following clause shall be inserted namely:—

"(*d*) in the case of a company pertaining to any class of companies engaged in production, processing, manufacturing or mining activities, such particulars relating to utilisation of material or labour as may be prescribed, if such class of companies, is required by the Central Government to include such particulars in the books of account;"

(*b*) for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) (*a*) The books of account and other books and papers shall be open to inspection by any director during business hours.

(*b*) The books of account and other books and papers shall be open to inspection during business hours—

(*i*) by the Registrar,

(*ii*) by any officer of Government authorised by the Central Government in this behalf :

*   *

Provided * * * that such inspection may be made without giving any previous notice to the company or any officer thereof.

(*c*) The Registrar or such officer may during the course of inspection—

(*i*) make or cause to be made copies of the books of account and other books and papers,

(*ii*) place or cause to be placed any marks of identification thereon in token of the inspection having been made.

(*d*) In order to enable the Registrar or such officer to make inspection of the books of account and other books and papers of the company, it shall be the duty of the company—

(*i*) to produce to the Registrar or such officer such books of account and other books and papers of the company as the Registrar or such officer may require,

(*ii*) otherwise to give to the Registrar or such officer all assistance in connection with the inspection which the company is reasonably able to give.";

(*c*) In sub-section (*4A*), after the words "preceding the current year", wherever they occur, the words "together with the vouchers relevant to any entry in such books of account" shall be inserted;

(*d*) in sub-section (6),—

(*i*) in clause (*a*), the following shall be inserted at the end, namely:—

"and all officers and other employees and agents [as defined in sub-section (*6*) of section 240 but excluding bankers and legal advisers] of such managing agent or secretaries and treasurers";

(*ii*) in clause (*c*), the word "and" occurring at the end shall be omitted ;

(*iii*) in clause (*d*), the word "and" shall be inserted at the end;

(*iv*) after clause (*d*), the following clause shall be inserted, namely:—

"(*e*) whether or not a company has a managing agent or secretaries and treasurers, every officer and other employee and agent (defined as aforesaid) of the company.".

21. **Amendment of section 227.**—In section 227 of the principal Act,—

(*a*) after sub-section (1), the following sub section shall be inserted, namely :—

"(*1A*) Without prejudice to the provisions of sub-section (1), the auditor shall inquire—

(*a*) whether loans and advances made by the company on the basis of security have been properly secured and whether the terms on which they have been made are not prejudicial to the interests of the company or its members ;

(*b*) whether transactions of the company which are represented merely by book entries are not prejudicial to the interests of the company ;

(*c*) where the company is not an investment company within the meaning of section 372 or a banking company, whether so much of the assets of the company as consist of shares, debentures and other securities have been sold at a price less than that at which they were purchased by the company ;

(*d*) whether loans and advances made by the company have been shown as deposits ;

(*e*) whether personal expenses have been charged to revenue account ;

(*f*) where it is stated in the books and papers of the company that any shares have been allotted for cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance-sheet is correct, regular and not misleading.";

(*b*) after sub-section (4), the following sub-section shall be inserted, namely:—

"(*4A*) The Central Government may, by general or special order, direct that, in the case of such class or description of companies as may be specified in the order, the auditor's report shall also include a statement on such matters as may be specified therein:

Provided that before making any such order the Central Government may consult the Institute of Chartered Accountants of India constituted under the Chartered Accountants Act, 1949, 38 of 1949 in regard to the class or description of companies and other ancillary matters proposed to be specified therein unless the Government decides that such consulation is not necessary or expedient in the circumstances of the case.".

22. **Amendment of Section 228.**—In section 228 of the principal Act, in sub-section (4), for the words "may, by rules made in this behalf, exempt", the words "may make rules providing for the exemption of" shall be substituted.

23. **Insertion of new Section 223B.**—After section 233A of the principal Act, under the sub-heading "*Audit*", the following section shall be inserted, namely:—

Audit of cost accounts in certain cases.—"233B. (1) Where in the opinion of the Central Government it is necessary so to do in relation to any company engaged in production, processing, manufacturing or mining activities, the Central Government may, by general or special order, direct that an audit of cost accounts of the company shall be conducted in such manner as may be specified in the order by an auditor who shall be either a cost accountant within the meaning of the Cost and Works Accountants Act, 1959, 23 of 1959 or any such chartered accountant within the meaning of the Chartered Accountants Act, 1949, 38 of 1949 or * * * other person, as possesses the prescribed qualifications.

(2) An auditor under this section shall be appointed by the company in general meeting and the provisions of section 224 shall apply, as far as may be, in relation to such auditor as they apply in relation to an auditor appointed under that section.

(3) An audit conducted by an auditor under this section shall be in addition to an audit conducted by an auditor appointed under section 224.

(4) An auditor shall have the same powers and duties in relation to an audit conducted by him under this section as an auditor of a company has under sub-section (1) of section 227 and such auditor shall make his report to the Company Law Board in such form and within such time as may be prescribed and shall also at the same time forward a copy of the report to the company."

* * * * * *

24. **Amendment of section 234A.**—In section 234A of the principal Act,—

(*a*) in sub section (*1*), after the words "make an application", the words "to the Tribunal or" shall be inserted;

(*b*) in sub-section (*2*), for the word "Magistrate", the words "Tribunal or Magistrate; as the case may be," shall be substituted;

(*c*) in sub-section (*3*),—

(*i*) for the word "Magistrate", the words "Tribunal or Magistrate, as the case may be," shall be substituted;

(*ii*) in the proviso, after the words "extracts from them", the words "or place identification marks on them or any part thereof" shall be inserted;

(*d*) in sub-section (4), after the word "search" and the word "searches", the words "or seizure" and the words "or seizures" shall respectively be inserted.

25. **Amendment of section 240.**—In section 240 of the principal Act,—

(*a*) in clause (*a*) of sub-section (*1*), for the words "to produce to an inspector", the words "to preserve and to produce to an inspector or any person authorised by him in this behalf," shall be substituted;

(*b*) after sub-section (*1*), the following sub sections shall be inserted, namely:—

"(*1A*) The inspector may, with the previous approval of the Central Government, require any body corporate ** [other than a body corporate referred to in sub-section (*1*)] to furnish such information to, or produce such books and papers before, him or any person authorised by him in this behalf as he may consider necessary if the furnishing of such information or the production of such books and papers is relevant or necessary for the purposes of his investigation.

(*1B*) The inspector may keep in his custody any books and papers produced under sub-section (*1*) or sub-section (*1A*) for six months and thereafter shall return the same to the company, body corporate, firm or individual by whom or on whose behalf the books and papers are produced:

Provided that the inspector may call for the books and papers if they are needed again:

Provided further that if certified copies of the books and papers produced under sub-section (*1A*) are furnished to the inspector, he shall return those books and papers to the body corporate *** concerned.";

(*c*) for sub-sections (*2*), (*3*), (*3A*) and (*4*), the following sub-sections shall be substituted, namely :—

"(2) An inspector may examine on oath—

(*a*) any of the persons referred to in sub-section (*1*) ; and

(*b*) with the previous approval of the Central Government, any other person,

in relation to the affairs of the company, other body corporate, managing agent, secretaries and treasurers or associate, as the case may be; and may administer an oath accordingly and for that purpose may require any of those persons to appear before him personally.

(3) If any person fails without reasonable cause or refuses—

(*a*) to produce to an inspector or any person authorised by him in this behalf any book or paper which it is his duty under sub-section (*1*) or sub-section (*1A*) to produce; or

(*b*) to furnish any information which it is his duty under sub-section (*1A*) to furnish; or

(*c*) to appear before the inspector personally when required to do so under sub-section (2) or to answer any question which is put to him by the inspector in pursuance of that sub-section' or

(*d*) to sign the notes of any examination referred to in sub-section (5) ,

he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two thousand rupees, or with both, and also with a further fine which may extend to two hundred rupees for every day after the first during which the failure or refusal continues.";
(*d*) in sub-section (*5*), the word, brackets and figure "or (*4*)" shall be omitted.

26. Amendment of section 240A.—In section 240A of the principal Act,—

(*a*) in sub-section (*1*), after the words "make an application", the words "to the Tribunal or " shall be inserted;

(*b*) in sub-section (*2*), for the word "Magistrate", the words "Tribunal or Magistrate, as the case may be," shall be substituted ;

(*c*) in sub-section (*3*)—

(*i*) for the word "Magistrate", the words "Tribunal or Magistrate, as the case may be," shall be substituted;

(*ii*) the following proviso shall be inserted at the end, namely :—

> "Provided that the inspector may, before returning such books and papers as aforesaid, place indentification marks on them or any part thereof ";

(*d*) in sub-section (*4*), after the word "search" and the word "searches", the words "or seizure" and the words "or seizures" shall respecitively be intserted.

27. **Amendment of section 241.**—In section 241 of the principal Act, in clause (*a*) of sub-section (*2*), after the words "any report", the brackets and words "(other than an interim report)" shall be inserted.

28. **Insertion of new section 250A.**—After section 250 of the principal Act, the following section shall be inserted, namely :—

Voluntary winding up of company, etc., not to stop investigation proceedings.—"250A. An investigation may be initiated under section 235, 237, 239, 247, 248 or 249 notwithstanding that—

(*a*) an application has been made for an order under section 397 or section 398; or

(*b*) the company has passed a special resolution for voluntary winding up

and no invesitigation so initiated shall be stopped or suspended by reason only of the fact that an application referred to in clause (*a*) has been made or a special resolution referred to in clause (*b*) has been passed."

29. **Amendment of section 252**—In section 252 of the principal Act,—

(*i*) in sub-section (*1*), for the words "public company", the words, brackets, figures and letter "public company (other than a public company which has become such by vitrtue of section 43A)" shall be substituted;

(*ii*) in sub-section (*2*), for the word "private", the word "other" shall be substituted ;

30. **Amendment of section 259.**—To section 259 of the principal ct, the following proviso shall be added, namely :—

"Provided that where such permissible maximum is twelve or less than twelve, no apporval of the Central Government shall be required if the increase in the number of its directors does not make the total number of its directors more than twelve."

31. **Amendment of section 264.**—In section 264 of the principal Act,—

(*i*) in sub-section (1), for the words "other than a person", the words "other than a director retiring by rotation or otherwise or a person" shall be substituted;

(*ii*) for sub-section (2), the following sub section shall be substituted, namely:—

"(2) A person other than—

(*a*) a director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or

(*b*) an additional or alternate director, or a person filling a casual vacancy in the office of a director under section 262, appointed as a director or re-appointed as an additional or alternate director, immediately on the expiry of his term of office, or

(*c*) a person named as a director of the company under its articles as first registered.

shall not act as a director of the company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such director".

32. **Amendment of section 266.**—In section 266 of the principal Act, sub-section (4) shall be omitted.

33. **Omission of section 271.**—Section 271 of the principal Act shall be omitted.

34. **Amendment of section 273.**—In section 273 of the principal Act, for the word and figures "to 272", the word and figures "and 272", shall be substituted.

35. **Amendment of section 280.**—In section 280 of the principal Act, for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) Save as otherwise provided in this section, a person shall not be capable of being appointed, or shall not act as a director of a public company or of a private company which is a subsidiary of a public company, if he has attained the age of seventy-five years.

(2) A director of a Public company or of a private company which is a subsidiary of a public company, shall vacate his office at the conclusion of the annual general meeting commencing next after he attains the age of seventy-five years :

Provided that a director who has attained the age of seventyfive years before the commencement of the Companies (* * * Amendment) Act, 1965 and is in office at such commencement shall vacate his office at the conclusion of the first annual general meeting held after such commencement."

36. **Omission of section 281.**—Section 281 of the principal Act shall be omitted.

37. **Amendment of section 282.**—In section 282 of the principal Act, for the words "sixty-five years", the words "sevently-five years" shall be substituted.

38. **Amendment of section 285.**—In section 285 of the principal Act, for the words beginning with "three calendar months" and ending with "and the date of the next meeting", the words "three months and at least four such meetings shall be held in every year" shall be substituted.

39. **Insertion of new section 294 A.**—After section 294 of the principal Act the following section shall be inserted, namely :—

Prohibition ot payment of compensation to sole selling agents for loss of office in certain cases.—"294A. (1) A company shall not pay or be liable to pay to its sole selling agent any compensation for the loss of his office in the following cases :—

(*a*) where the appointment of the sole selling agent ceases to be valid by virtue of sub-section (2 A) of section 294 ;

(*b*) where the sole selling agent resigns his office in view of the reconstruction of the company or of its amalgamation with any other body corporate or bodies corporate and is appointed as the sole selling agent of the reconstructed company or of the body corporate resulting from the amalgamation ;

(*c*) where the sole selling agent resigns his office, otherwise than on the reconstruction of the company or its amalgamation as aforesaid ;

(*d*) where the sole selling agent has been guilty of fraud or breach of trust in relation to, or of gross negligence in, the conduct of his duty as the sole selling agent ;

(*e*) where the sole selling agent has instigated, or has taken part directly or indirectly in bringing about, the termination of the sole selling agency.

(2) The compensation which may be paid by a company to its sole selling agent for loss of office shall not exceed the remuneration which he would have earned if he had been in office for the unexpired residue of his term, or for three years, whichever is shorter, calculated on the basis of the average remuneration actually earned by him during a period of three years immediately preceding the date on which his office ceased or was terminated, or where he held his office for a lesser period than three years, during such period."

40. Amendment of section 303.—In section 303 of the principal Act, in sub-section (2), the words "or in any of the particulars contained in the register" and the proviso shall be omitted.

* * * * *

41. Amendment of section 309.—In section 309 of the principal Act,—

(*i*) in sub-section (1), the following shall be added at the end, namely:—

"and the remuneration payable to any such director determined as aforesaid shall be inclusive of the remuneration payable to such director for services rendered by him in any other capacity:

Provided that any remuneration for services rendered by any such director in any other capacity shall not be so included if—

(*a*) the services rendered are of a professional nature and

(*b*) in the opinion of the Central Government, the director possesses the requisite qualifications for the practice of the profession * * * ";

(*ii*) for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) A director who is neither in the whole-time employment of the company nor a managing director may be paid remuneration—

either

(*a*) by way of a monthly payment with the approval of the Central Government;

or

(*b*) by way of commission if the company by special to resolution authorises such payment:

Provided that the remuneration paid to such director, or where there is more than one such director, to all of them together, shall not exceed—

(*i*) one per cent of the net profits of the company, if the company has a managing or whole-time director, a managing agent or secretaries and treasurers or a manager;

(*ii*) three per cent of the net profits of the company, in any other case:

Provided further that the company in general meeting may, with the approval of the Central Government, authorise the payment of such remuneration at a rate exceeding one per cent, or, as the case may be, three per cent of its net profits ".

42. Amendment of section 310.—To section 310 of the principal Act, the following proviso shall be added, namely:—

"Provided that the approval of the Central Government shall not be required where any such provision or any amendment thereof purports to increase, or has the effect of increasing, the amount of such remuneration only by way of a fee for each meeting of the Board or a committee thereof attended by any such director and the amount of such fee after such increase does not exceed two hundred and fifty rupees".

43. Amendment of section 314.—In section 314 of the principal Act,—

(*a*) in sub-section (1)—

(*i*) for the words "previous consent", the word "consent" shall be substituted;

(ii) for the proviso, the following proviso shall be substituted, namely:-

" Provided that it shall be sufficient if the special resolution according the consent of the company is passed at the general meeting of the company held for the first time after the holding of such office or place of profit:

Provided further that where a relative of a director or a firm in which such relative is a partner, is appointed to an office or place of profit under the company or a subsidiary thereof without the knowdledge of the director, the consent of the company may be obtained either in the general meeting aforesaid or within three months from the date of the appointment, whichever is later. ";

(b) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) If any office or place of profit is held in contravention of the provisions of sub-section (1), the director, partner, relative, firm, private company, managing agent, secretaries and treasurers or the manager, concerned, shall be deemed to have vacated his or its office as such on and from the date next following the date of the general meeting of the company referred to in the first proviso or, as the case may be, the date of the expiry of the period of three months referred to in the second proviso to that sub-section, and shall also be liable to refund to the company any remuneration received or the monetary equivalent of any perquisite or advantage enjoyed by him or it for the period immediately preceding the date aforesaid in respect of such office or place of profit.

44. Amendment of section 370.—In Section 370 of the principal Act,—

(*a*) in sub-section (*1*)—

(*i*) the words "which is under the same management as the leading company" shall be omitted ;

(*ii*) the following provisos shall be added at the end, namely:—

" Provided that no special resolution shall be necessary in the case or loans made to other bodies corporate not under the same management as the lending company where the aggregate of such loans does not exceed ten per-cent, of the aggregate of the subscribed capital of the lending company and its free reserves :

Provided further that the aggregate of the loans* * made to all bodies corporate shall not exceed without the prior approval of the Central Government—

(*a*) thirty per cent of the aggregate of the subscribed capital of the lending company and its free reserves where all such other bodies corporate are not under the same management as the lending company ;

(*b*) twenty per cent of the aggregate of the subscribed capital of the lending company and its free reserves where all such other bodies corporate are under the same management as the lending company.

Explanation.—If a special resolution has been passed by the lending company authorising the making of loans up to the limit of thirty per cent of the aggregate specified in clause (*a*), or, as the case may be, of twenty per cent. of the aggregate specified in clause (*b*), of the second proviso, then, no further special resolution or resolutions shall be deemed to be necessary for the making of any loan or loans within such limit." ;

(*b*) in sub-section (*1C*), in clause (*b*), after the words " provided by the landing company", the wofds "in relation to any such body corporate" shall be inserted ;

(*c*) in sub-section (*1D*), for the words "every such loan, guarantee or security", the words, brackets, figure and lettter "every loan, guarantee or security referred to in sub-section (1C)" shall be substituted ;

(*d*) in sub-section (*2*), clause (*a*), for sub-clause (*iii*), the following sub-clauses shall be substituted, namely:—

"(*iii*) by a banking company, or an insurance company, in the ordinary course of its business ;

(*iv*) by a private company, unless it is a subsidiary of a public company ;

(*v*) by a company established with the object of financing industrial enterprises ; " ;

(*e*) after sub-section (4), the following sub-section shall be inserted, namely :—

" (5) Where before the commencement of the Companies (Amendment) Act, 1965, any loan, guarantee or security has been made, given or provided by a company which could not have been made, given or provided under this section as amended by that Act, and such loan, guarantee or security is outstanding at such commencement, the company shall, within six months from such commencement, enforce the repayment of the loan made or, as the case may be, revoke the guarantee given or the security provided, notwithstanding any agreement to the contrary :

Provided that the aforesaid period of six months may be extended by the Company Law Board on an application made to it in that behalf by the company.".

45. Amendment of section 372.—In section 372 of the principal Act, in sub-section (13), after the word, brackets and figure "sub-section (2)", the words, brackets and figure "and sub section (5)" shall be inserted.

46. Amendment of section 391.—In section 391 of the principal Act, to sub-section (2), the following proviso shall be added, namely :—

"Provided that no order sanctioning any compromise or arrangement shall be made by the Court unless the Court is satisfied that the company or any other person by whom an application has been made under sub-section (1) has disclosed to the Court, by affidavit or otherwise, all material facts relating to the company, such as the latest financial position of the company, the latest auditor's report on the accounts of the company, the pendency of any investigation proceedings in relation to the company under sections 235 to 251, and the like.".

47. **Amendment of section 394.**—In section 394 of the principal Act, to sub-section (1), the following provisos shall be added, namely :—

"Provided that no compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the amalgamation of a company, which is being wound up, with any other company or companies, shall be sanctioned by the Court unless the Court has report from the Company Law Board or the Registrar that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest:

Provided further that no order for the dissolution of any transferor company under clause (*iv*) shall be made by the Court unless the Official Liquidator has, on scrutiny of the books and papers of the company, made a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest.".

48. **Insertion of new section 394A.**—After section 394 of the principal Act, the following section shall be inserted, namely:—

Notice to be given to Central Government for applications under sections 391 and 394.—"394A. The Court shall give notice of every application made to it under section 391 or 394 to the Central Government, and shall take into consideration the representations, if any, made to it by that Government before passing any order under any of these sections.".

49. **Amendment of section 395.**—In section 395 of the principal Act,—

(*a*) in sub-section (*3*), for the words "the transferor company shall thereupon register the transferee company as the holder of those shares : ", the following shall be substituted, namely:—

"the transferor company shall—

(*a*) thereupon register * * the transferee company as the holder of those shares, and (*b*) within one month of the date of such registration inform the dissenting shareholders of the fact of such registration and of the receipt of the amount or other consideration representing the price payable to them by the transferee company :";

(*b*) after sub-section (*4*), the following sub-section shall be inserted, namely:—

"(*4A*). (*a*) The following provisions shall apply in relation to every offer of a scheme or contract involving the transfer of shares or any class of shares in the transferor company to the transferee company, namely :—

(*i*) every such offer or every circular containing such offer or every recommendation to the members of the transferor company by its directors to accept such offer shall be accompanied by such information as may be prescribed ;

(*ii*) every such offer shall contain a statement by or on behalf of the transferee company, disclosing the steps it has taken to ensure that necessary cash will be available;

(*iii*) every circular containing, or recommending acceptance of, such offer shall be presented to the Registrar for registration and no such circular shall be issued until it is so registered;

(*iv*) the Registrar may refuse to register any such circular which does not contain the information required to be given under sub-clause (*i*) or which sets out such information in a manner likely to give a false impression ; and

(*v*) an appeal shall lie to the Court against an order of the Registrar refusing to register any such circular.

(*b*) Whoever issues a circular referred to in sub-clause (*iii*) of clause (*a*), which has not been registered, shall be punishable with fine which may extend to five hundred rupees.".

50. Insertion of new section 396A.—In the principal Act, in Chapter V of Part VI, after section 396, the following section shall be inserted, namely:—

Preservation of books and papers or amalgamated company. "396A. The books and papers of a company which has been, amalgamated with, or whose shares have been acquired by another company under this Chapter shall not be disposed of without the prior permission, of the Central Government and before granting such permission, that Government may appoint a person to examine the books and papers or any of them for the purpose of ascertaining whether they contain any evidence of the commission of an offence in connection with the promotion or formation, or the management of the affairs, of the first mentioned company or its amalgamation or the acquisition of its shares.".

51. Amendment of Chapter VII of Part VI.—(1) In the principal Act, in Chapter VII of Part VI,—

(*a*) in the heading, for the words "ADVISORY COMMISSION", the words "ADVISORY COMMITTEE" shall be substituted;

(*b*) for sections 410, 411, 412, 413, 414 and 415, the following section shall be substituted, namely:—

Appointment of Advisory Committee.—"410. For the purpose of advising the Central Government and the Company Law Board on such matters arising out of the administration of this Act as may be referred to it by that Government or Board, the Central Government may constitute an Advisory Committee consisting of not more than five persons with suitable qualifications".

(2) All cases pending before the Advisory Commission immediately before the commencement of this Act shall stand transferred to the Central Government on such commencement and the Central Government may dispose of such cases in such manner as it deems fit.

52. Amendment of section 497.—In section 497 of the principal Act,—

(*a*) in sub-section (3), for the words "Registrar a copy of the account, and shall make a return to him", the words "Registrar and the Official Liquidator a copy each of the account and shall make a return to each of them" shall be substituted;

(*b*) for sub-sections (5) and (6), the following sub-sections shall be substituted, namely:—

"(5) The Registrar, on receiving the account and either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall forthwith register them.

(6) The Official Liquidator, on receiving the account and either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall, as soon as may be, make, and the liquidator and all officers, past or present, of the company shall give the Official Liquidator all reasonable

facilities to make, a scrutiny of the books and papers of the company and if on such scrutiny the Official Liquidator makes a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest, then, from the date of the submission of the report to the Court the company shall be deemed to be dissolved.

(6A) If on such scrutiny the Official Liquidator makes a report to the Court that the affairs of the company have been conducted in a manner prejudicial as aforesaid, the Court shall by order direct the Official Liquidator to make a further investigation of the affairs of the company and for that purpose shall invest him with all such powers as the Court may deem fit.

(*6B*) On the receipt of the report of the Official Liquidator on such further investigation the Court may either make an order that the company shall stand dissolved with effect from the date to be specified by the Court therein or make such other order as the circumstances of the case brought out in the report permit.".

53. Amendment of section 509.—In section 509 of the principal Act,—

(*a*) in sub-section (3), for the words " Registrar a copy of the account, and shall make a return to him ", the words " Registrar and the Official Liquidator a copy each of the account and shall make a return to each of them ", shall be substituted ;

(*b*) for sub-sections (5) and (6), the following sub-sections shall be substituted, namely:—

" (5) The Registrar, on receiving the account and also, in respect of each such meeting, either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall forthwith register them.

(6) The Official Liquidator, on receiving the account and either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall, as soon as may be, make, and the liquidator and all officers, past or present, of the company shall give the Official Liquidator all reasonable facilities to make, a scrutiny of the books and papers of the company and if on such scrutiny the Official Liquidator makes a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest, then, from the date of the submission of report to the Court the company shall be deemed to be dissolved.

"Provided that no order sanctioning any compromise or arrangement shall be made by the Court unless the Court is satisfied that the company or any other person by whom an application has been made under sub-section (1) has disclosed to the Court, by affidavit or otherwise, all material facts relating to the company, such as the latest financial position of the company, the latest auditor's report on the accounts of the company, the pendency of any investigation proceedings in relation to the company under sections 235 to 251, and the like.".

47. **Amendment of section 394.**—In section 394 of the principal Act, to sub-section (1), the following provisos shall be added, namely :—

"Provided that no compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the amalgamation of a company, which is being wound up, with any other company or companies, shall be sanctioned by the Court unless the Court has report from the Company Law Board or the Registrar that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest:

Provided further that no order for the dissolution of any transferor company under clause (*iv*) shall be made by the Court unless the Official Liquidator has, on scrutiny of the books and papers of the company, made a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest."

48. **Insertion of new section 394A.**—After section 394 of the principal Act, the following section shall be inserted, namely:—

Notice to be given to Central Government for applications under sections 391 and 394.—"394A. The Court shall give notice of every application made to it under section 391 or 394 to the Central Government, and shall take into consideration the representations, if any, made to it by that Government before passing any order under any of these sections."

49. **Amendment of section 395.**—In section 395 of the principal Act,—

(*a*) in sub-section (*3*), for the words "the transferor company shall thereupon register the transferee company as the holder of those shares : ", the following shall be substituted, namely:—

"the transferor company shall—

(*a*) thereupon register * * the transferee company as the holder of those shares, and (*b*) within one month of the date of such registration inform the dissenting shareholders of the fact of such registration and of the receipt of the amount or other consideration representing the price payable to them by the transferee company:";

(*b*) after sub-section (*4*), the following sub-section shall be inserted, namely:—

"(*4A*). (*a*) The following provisions shall apply in relation to every offer of a scheme or contract involving the transfer of shares or any class of shares in the transferor company to the transferee company, namely:—

(*i*) every such offer or every circular containing such offer or every recommendation to the members of the transferor company by its directors to accept such offer shall be accompanied by such information as may be prescribed;

(*ii*) every such offer shall contain a statement by or on behalf of the transferee company, disclosing the steps it has taken to ensure that necessary cash will be available;

(*iii*) every circular containing, or recommending acceptance of, such offer shall be presented to the Registrar for registration and no such circular shall be issued until it is so registered;

(*iv*) the Registrar may refuse to register any such circular which does not contain the information required to be given under sub-clause (*i*) or which sets out such information in a manner likely to give a false impression; and

(*v*) an appeal shall lie to the Court against an order of the Registrar refusing to register any such circular.

(*b*) Whoever issues a circular referred to in sub-clause (*iii*) of clause (*a*), which has not been registered, shall be punishable with fine which may extend to five hundred rupees.".

50. Insertion of new section 396A.—In the principal Act, in Chapter V of Part VI, after section 396, the following section shall be inserted, namely:—

Preservation of books and papers or amalgamated company.

"396A. The books and papers of a company which has been, amalgamated with, or whose shares have been acquired by another company under this Chapter shall not be disposed of without the prior permission, of the Central Government and before granting such permission, that Government may appoint a person to examine the books and papers or any of them for the purpose of ascertaining whether they contain any evidence of the commission of an offence in connection with the promotion or formation, or the management of the affairs, of the first mentioned company or its amalgamation or the acquisition of its shares.".

51. Amendment of Chapter VII of Part VI.—(1) In the principal Act, in Chapter VII of Part VI,—

(*a*) in the heading, for the words "ADVISORY COMMISSION", the words "ADVISORY COMMITTEE" shall be substituted;

(*b*) for sections 410, 411, 412, 413, 414 and 415, the following section shall be substituted, namely:—

Appointment of Advisory Committee.—"410. For the purpose of advising the Central Government and the Company Law Board on such matters arising out of the administration of this Act as may be referred to it by that Government or Board, the Central Government may constitute an Advisory Committee consisting of not more than five persons with suitable qualifications".

(2) All cases pending before the Advisory Commission immediately before the commencement of this Act shall stand transferred to the Central Government on such commencement and the Central Government may dispose of such cases in such manner as it deems fit.

52. Amendment of section 497.—In section 497 of the principal Act,—

(*a*) in sub-section (3), for the words "Registrar a copy of the account, and shall make a return to him", the words "Registrar and the Official Liquidator a copy each of the account and shall make a return to each of them" shall be substituted;

(*b*) for sub-sections (5) and (6), the following sub-sections shall be substituted, namely:—

"(5) The Registrar, on receiving the account and either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall forthwith register them.

(6) The Official Liquidator, on receiving the account and either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall, as soon as may be, make, and the liquidator and all officers, past or present, of the company shall give the Official Liquidator all reasonable

facilities to make, a scrutiny of the books and papers of the company and if on such scrutiny the Official Liquidator makes a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest, then, from the date of the submission of the report to the Court the company shall be deemed to be dissolved.

(6A) If on such scrutiny the Official Liquidator makes a report to the Court that the affairs of the company have been conducted in a manner prejudicial as aforesaid, the Court shall by order direct the Official Liquidator to make a further investigation of the affairs of the company and for that purpose shall invest him with all such powers as the Court may deem fit.

(*6B*) On the receipt of the report of the Official Liquidator on such further investigation the Court may either make an order that the company shall stand dissolved with effect from the date to be specified by the Court therein or make such other order as the circumstances of the case brought out in the report permit.".

53. Amendment of section 509.—In section 509 of the principal Act,—

(*a*) in sub-section (3), for the words " Registrar a copy of the account, and shall make a return to him ", the words " Registrar and the Official Liquidator a copy each of the account and shall make a return to each of them ", shall be substituted ;

(*b*) for sub-sections (5) and (6), the following sub-sections shall be substituted, namely :—

" (5) The Registrar, on receiving the account and also, in respect of each such meeting, either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall forthwith register them.

(6) The Official Liquidator, on receiving the account and either the return mentioned in sub-section (3) or the return mentioned in sub-section (4), shall, as soon as may be, make, and the liquidator and all officers, past or present, of the company shall give the Official Liquidator all reasonable facilities to make, a scrutiny of the books and papers of the company and if on such scrutiny the Official Liquidator makes a report to the Court that the affairs of the company have not been conducted in a manner prejudicial to the interests of its members or to public interest, then, from the date of the submission of report to the Court the company shall be deemed to be dissolved.

(6*A*) If on such scrutiny the Official Liquidator makes a report to the Court that the affairs of the company have been conducted in a manner prejudicial as aforesaid, the Court shall by order direct the Official Liquidator to make a further investigation of the affairs of the company and for that purpose shall invest him with all such powers as the Court may deem fit.

(6*B*) On the receipt of the report of the Official Liquidator on such further investigation the Court may either make an order that the company shall stand dissolved with effect from the date to be specified by the Court therein or make such other order as the circumstances of the case brought out in the report permit.".

54 **Insertion of new section 511A.**—After section 511 of the principal Act, the following section shall be inserted, namely:—

Application of section 454 to voluntary winding up.—

'511A. The provisions of section 454 shall, so far as may be, apply to every voluntary winding up as they apply to the winding up by the Court except that references to—

(*a*) the Court shall be omitted;

(*b*) the Official Liquidator or the provisional liquidator shall be construed as references to the liquidator; and

(*c*) the "relevant date" shall be construed as references to the date of commencement of the winding up.'.

55 **Amendment of section 593.**—In section 593 of the principal Act, in clause (c), the words "or the particulars contained in the list of the directors and secretary" shall be omitted.

56 **Substitution of new sections for section 635A.**—For section 635A of the principal Act, the following sections shall be substituted, namely:—

Protection of acts done in good faith.—"635 A. No suit, prosecution or other legal proceeding shall lie against the Government or any officer of Government or any other person in respect of anything which is in good faith done or intended to be done in pursuance of this Act or any rules orders made thereunder, or in respect of the publication by or under the authority of the Government of such officer of any report, paper or proceedings.

Non-disclosure of information in certain cases.--635AA. Notwithstanding anything contained in any other law for the time being in force, the Registrar, any officer of Government or any other person shall not be compelled to disclose to any court, tribunal or other authority whence he got any information which—

(*a*) has led the Central Government to direct a special audit under section 233A or to order an investigation under sections 235, 237, 247, 248 or 249; or

(*b*) is or has been material or relevant in connection with such special audit or investigation.”.

57. Insertion of new section 637B.—After section 637A of the principal Act, under the sub-heading “*Grant of approval, etc., subject to conditions and levy of fees on applications*”, the following section shall be inserted, namely :—

Condonation of delays in certain cases.—“637B. Notwithstanding anything contained in this Act.—

(*a*) where any application required to be made to the Central Government under any provision of this Act in respect of any matter is not made within the time specified therein, respect of that Government may for reasons to be recorded in writing, condone the delay;

(*b*) where any document required to be filed with the Registrar under any provision of this Act is not filed within the time specified therein, the Central Government may, for reasons to be recorded in writing, condone the delay.”

58. Insertion of new section 640B.—After section 640A of the principal Act, under the sub-heading “*Schedules, Forms and Rules*”, the following section shall be inserted, namely :—

Forms of, and procedure in relation to, certain applications. “640 B. (1) Every application made to the Central Government under sections 259, 268, 269, 310, 311, 326, 328, 329, 332, 343, 345, 346, 352, 408, or 409 shall be in such form as may be prescribed.

(2) (*a*) Before any application is made by a company to the Central Government under any of the sections aforesaid, there shall be issued by or on behalf of the company a general notice to the members thereof, indicating the nature of the application proposed to be made.

(*b*) Such notice shall be published at least once in a newspaper in the principal language of the district in which the registered office of the company is situate and circulating in that district, and at least once in English in an English newspaper circulating in that district.

(*c*) Copies of the notices, together with a certificate by the company as to the due publication thereof, shall be attached to the application.

(*d*) Nothing in clause (*a*), (*b*) or (*c*) shall apply to a private company which is not the managing agent of a public company.".

59. Amendment of Schedule IA.—In Schedule IA of the principal Act, serials 23 to 49 (both inclusive) shall be omitted.

60. Minor amendments.—The amendments directed in the Schedule, being amendments relating to matters of minor detail or of a clarificatory or consequential nature, shall be made in the sections of the principal Act specified therein.

THE SCHEDULE

(*See* Section 60)

MINOR AMENDMENTS IN THE COMPANIES ACT, 1956

Section 2.—In clause (*49A*), for "Tribunal constituted", substitute "Companies Tribunal constituted".

Section 10A.—In sub-section (*1*), for "constitute a Tribunal", substitute "constitute a Tribunal to be known as the Companies Tribunal".

Section 44.—In clause (*b*) of sub-section (*1*), for "fourteen", substitute "thirty".

Section 75.—For "one month", in all places, substitute "thirty days".

Section 95.—In sub-section (*1*), for "one month". substitute "thirty days".

Section 97.—In sub-section (*1*), for "fifteen", substitute "thirty".

Section 107.—In sub-section(5), for "fifteen", substitute "thirty".

Section 125.—For "twenty-one", in all places, substitute "thirty"

Section 127.—In sub-section (*1*), for "twenty-one", in all places, substitute "thirty."

Section 128.—For "twenty-one", substitute "thirty"

Section 137.—In sub-section (1), for "fifteen", substitute "thirty"

Section 138.—In sub-section (1), for "twenty-one", substitute "thirty".

Section 146.—For "twenty-eight" and "twenty-eight", substitute respectively "thirtieth" and "thirty".

Section 156.—For "Court" and "fourteen" in all places, substitute respectively "Tribunal" and "thirty".

Section 157.—In sub-section (2), for "one month", in both places, substitute "thirty days".

Section 159.—In sub-section (1), for "forty-two", substitute "sixty".

Section 160.—In sub-section (1), for "forty-two", substitute "sixty"

Section 192.—In sub-section (1), for "fifteen", substitute "thirty"

Section 193.—For "fourteen" in all places, substitute "thirty"

Section 220.—In sub-section (1), for "at the same time as the copy of the annual return referred to in section 161", substitute "within thirty days from the date on which the balance-sheet and the profit and loss account were so laid".

Section 303.—In sub-section (2), for "twenty-eight", in all places, substitute "thirty"

Section 394.—In sub-section (3), for "fourteen" substitute "thirty"

Section 404.—In sub-section (3), for "fifteen", substitute "thirty"

Section 445.—In sub-section (1) and in sub-section (1A), for one month", substitute "thirty days"

Section 481.—In sub-section (2), for "fourteen" substitute "thirty".

Section 509.—In sub-section (6), for "twenty-one" substitue, "thirty".

Section 516.—In sub-section (1), for "twenty-one" substitute "thirty"

Section 559.—In sub-section (2), for "twenty-one" substitute "thirty

Section 592.—In sub-section (1), for one month" substitute "thirty days".

S. L. SHAKDHER,
Secretary.

WD 274—GTBPM—5,500—21-9-65

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION

(LAW DEPARTMENT)

No. LWA 67 *LCA* 65, *dated Bangalore*, 22*nd September* 1965 (*Bhadrapada*, 31 *Saka Era* 1887.)

Ordered that the Payment of Bonus Bill, 1965 (Central Bill No. 49 of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 16th August 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
Under Secretary to Government, I/c,
Law Department.

BILL NO. 49 OF 1965.

A Bill to provide for the payment of bonus to persons employed in certain establishments and for matters connected therewith.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows :—

1. Short title, extent and application.—(1) This Act may be called the Payment of Bonus Act, 1965.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) Save as otherwise provided in this Act, it shall apply to—

(*a*) every factory; and

(*b*) every other establishment in which twenty or more persons are employed on any day during an accounting year.

(4) Save as otherwise provided in this Act, the provisions of this Act shall, in relation to a factory or other establishment to which this Act applies, have effect in respect of the accounting year commencing on any day in the year 1964 and in respect of every subsequent accounting year.

(5) An establishment to which this Act applies under clause (*b*) of sub-section (3) shall continue to be governed by this Act notwithstanding that the number of persons employed therein falls below twenty.

2. **Definitions.**—In this Act, unless the context otherwise requires,—

(1) "accounting year" means—

(*i*) in relation to a corporation, the year ending on the day on which the books and accounts of the corporation are to be closed and balanced;

(*ii*) in relation to a company, the period in respect of which any profit and loss account of the company laid before it in annual general meeting is made up, whether that period is a year or not;

(*iii*) in any other case—

(*a*) the year commencing on the 1st day of April; or

(*b*) if the accounts of an establishment maintained by the employer thereof are closed and balanced on any day other than the 31st day of March, then, at the option of the employer, the year ending on the day on which its accounts are so closed and balanced :

Provided that an option once exercised by the employer under paragraph (*b*) of this sub-clause shall not again be exercised except with the previous permission in writing of the prescribed authority and upon such conditions as that authority may think fit ;

(2) "agricultural income" shall have the same meaning as in the Income-tax Act ;

(3) "agricultural income-tax law" means any law for the time being in force relating to the levy of tax on agricultural income ;

(4) "allocable surplus" means—

(*a*) in relation to an employer, being a company (other than a banking company) which has not made the arrangements prescribed under the Income-tax Act for the declaration and payment within India of the dividends payable out of its profits in accordance with the provisions of section 194 of that Act, sixty-seven per cent of the available surplus in an accounting year ;

(*b*) in any other case, sixty per cent of such available surplus,

and includes any amount treated as such under sub-section (2) of section 34 ;

(5) " appropriate Government " means—

(*i*) in relation to an establishment in respect of which the appropriate Government under the Industrial isputes ct, 1947 14 of 1947 , is

(7) " award " means an interim or a final determination of any industrial dispute or of any question relating thereto by any Labour Court, Industrial Tribunal or National Tribunal constituted under the Industrial Disputes Act, 1947 (14 of 1947), or by any other authority constituted under any corresponding law relating to investigation and settlement of industrial disputes in force in a State and includes an arbitration award made under section 10A of that Act or under that law ;

(8) " banking company " means a banking company as defined in section 5 of the Banking Companies Act, 1949 (10 of 1949), and includes the State Bank of India, any subsidiary bank as defined in the State Bank of India Subsidiary Banks) Act, 1959 (38 of 1959), and any other banking institution which may be notified in this behalf by the Central Government ;

(9) " company " means any company as defined in section 3 of the Companies Act, 1956 (1 of 1956), and includes a foreign company within the meaning of section 591 of that Act ;

(10) " co-operative society " means a society registered or deemed to be registered under the Co-operative Societies Act, 1912 (2 of 1912), or any other law for the time being in force in any State relating to co-operative societies ;

(11) " corporation " means any body corporate established by or under any Central, Provincial or State Act but does not include a company or a co-operative society ;

(12) " direct tax " means—

(*a*) any tax chargeable under—

(*i*) the Income-tax Act ;

(*ii*) the Super Profits Tax Act, 1963 (14 of 1963) ;

(*iii*) the Companies (Profits) Surtax Act, 1964 (7 of 1964) ;

(*iv*) the agricultural income-tax law ; and

(*b*) any other tax which, having regard to its nature or incidence, may be declared by the Central Government, by notification in the Official Gazette, to be a direct tax for the purposes of this Act ;

(13) "employee" means any person (other than an apprentice) employed on a salary or wage not exceeding one thousand and six hundred rupees per mensem in any industry to do any skilled or unskilled manual, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied ;

(14) "employer" includes—

(*i*) in relation to an establishment which is a factory, the owner or occupier of the factory, including the agent of such owner or occupier, the legal representative of a deceased owner or occupier and where a person has been named as a manager of the factory under clause (*f*) of sub-section (1) of section 7 of the Factories Act, 1948 (63 of 1948), the person so named ; and

(*ii*) in relation to any other establishment, the person who, or the authority which, has the ultimate control over the affairs of the establishment and where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent ;

(15) "establishment in private sector" means any establishment other than an establishment in public sector ;

(16) "establishment in public sector" means an establishment owned, controlled or managed by—

(*a*) a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956) ;

(*b*) a corporation in which not less than forty per cent of its capital is held (whether singly or taken together) by—

(*i*) the Government ; or

(*ii*) the Reserve Bank of India ; or

(*iii*) a corporation owned by the Government or the Reserve Bank of India ;

(17) "factory" shall have the same meaning as in clause (*m*) of section 2 of the Factories Act, 1948 (63 of 1948);

(18) "gross profits" means the gross profits calculated under section 4;

(19) "Income-tax Act" means the Income-tax Act, 1961 (43 of 1951);

(20) "prescribed" means prescribed by rules made under this Act;

(21) "salary or wage" means all remuneration (other than remuneration in respect of over-time work) capable of being expressed in terms of money, which would, if the terms of employment, express or implied, were fulfilled, be payable to an employee in respect of his employment or of work done in such employment and includes dearness allowance (that is to say, all cash payments, by whatever name called, paid to an employee on account of a rise in the cost of living), but does not include—

(*i*) any other allowance which the employee is for the time being entitled to;

(*ii*) the value of any house accommodation or of supply of light, water, medical attendance or other amenity or of any service of or any concessional supply of foodgrains or other articles;

(*iii*) any travelling concession;

(*iv*) any bonus (including incentive, production and attendance bonus);

(*v*) any contribution paid or payable by the employer to any pension fund or provident fund or for the benefit of the employee under any law for the time being in force;

(*vi*) any retrenchment compensation or any gratuity or other retirement benefit payable to the employee or any *ex gratia* payment made to him;

(*vii*) any commission payable to the employee.

Explanation.—Where an employee is given in lieu of the whole or part of the salary or wage payable to him, free food allowance or free food by his employer, such food allowance or the value of such food shall, for the purpose of this clause be deemed to form part of the salary or wage of such employee ;

(22) words and expressions used but not defined in this Act and defined in the Industrial Disputes Act, 1947 (23 of 1947), shall have the meanings respectively assigned to them in that Act.

3. Establishments to include departments, undertakings and branches.—Where an establishment consists of different departments or undertakings or has branches, whether situated in the same place or in different places, all such departments or undertakings or branches shall be treated as parts of the same establishment for the purpose of computation of bonus under this Act :

Provided that where for any accounting year a separate balance-sheet and profit and loss account are prepared and maintained in respect of any such department or undertaking or branch, then, such department or undertaking or branch shall be treated as a separate establishment for the purpose of computation of bonus under this Act for that year, unless such department or undertaking or branch was, immediately before the commencement of that accounting year treated as part of the establishment for the purpose of computation of bonus.

4. Computation of gross profits.—The gross profits derived by an employer from an establishment in respect of any accounting year shall—

(*a*) in the case of a banking company, be calculated in the manner specified in the First Schedule ;

(*b*) in any other case, be calculated in the manner specified in the Second Schedule.

5. Computation of available surplus.—The available surplus in respect of any accounting year shall be the gross profits for that year after deducting therefrom the sums referred to in section 6.

6. Sums deductible from gross profits.—The following sums shall be deducted from the gross profits as prior charges, namely :—

(*a*) any amount by way of depreciation admissible in accordance with the provisions of sub-section (1) of section 32 of the Income-tax Act, or in accordance with the provisions of the agricultural income-tax law, as the case may be :

Provided that where an employer has been paying bonus to his employees under a settlement or an award or agreement made before the 29th May, 1965, and subsisting on that date after deducting from the gross profits national normal depreciation, then, the amount of depreciation to be deducted under this clause shall, at the option of such employer (such option to be exercised once and within one year from that date) continue to be such national normal depreciation ;

(*b*) any amount by way of development rebate or development allowance which the employer is entitled to deduct from his income under the Income-tax Act ;

(*c*) subject to the provisions of section 7, any direct tax which the employer is liable to pay for the accounting year in respect of his income, profits and gains during that year ;

(*d*) such further sums as are specified in respect of the employer in the Third Schedule.

7. Calculation of direct tax payable by the employer.—For the purpose of clause (*c*) of section 6, any direct tax payable by the employer for any accounting year shall, subject to the following provisions, be calculated at the rates applicable to the income of the employer for that year, namely :—

(*a*) in calculating such tax no account shall be taken of—

(*i*) any loss incurred by the employer in respect of any previous accounting year and carried forward under any law for the time being in force relating to direct taxes ;

(*ii*) any arrears of depreciation which the employer is entitled to add to the amount of the allowance for depreciation for any following accounting year or years under sub-section (2) of section 32 of the Income-tax Act ;

(*iii*) any exemption conferred on the employer under section 84 of the Income-tax Act or of any deduction to which he is entitled under sub-section (1) of section 101 of that Act, as in force immediately before the commencement of the Finance Act, 1965 (10 of 1965) ;

(*b*) where the employer is a religious or a charitable institution to which the provisions of section 32 do not apply and the whole or any part of its income is exempt from tax under the Income-tax Act, then, with respect to the income so exempted, such institution shall be treated as if it were a company in which the public are substantially interested within the meaning of that Act ;

(*c*) where the employer is an individual or a Hindu undivided family, the tax payable by such employer under the Income-tax Act shall be calculated on the basis that the income derived by him from the establishment is his only income ;

(*d*) where the income of any employer includes any profits and gains derived from the export of any goods or merchandise out of India and any rebate on such income is allowed under any law for the time being in force relating to direct taxes, then, no account shall be taken of such rebate ;

(*e*) no account shall be taken of any rebate (other than development rebate or development allowance) or credit or relief or deduction (not hereinbefore mentioned in this section) in the payment of any direct tax allowed under any law for the time being in force relating to direct taxes or under the relevant annual Finance Act, for the development of any industry.

8. **Eligibility for bonus.**—Every employee shall be entitled to be paid by his employer in an accounting year, bonus, in accordance with the provisions of this Act, provided he has worked in the establishment for not less than thirty working days in that year.

9. **Disqualification for bonus.**—Notwithstanding anything contained in this Act, an employee shall be disqualified from receiving bonus under this Act, if he is dismissed from service for—

(*a*) fraud ; or

(*b*) riotous or violent behaviour while on the premises of the establishment ; or

(*c*) theft, misappropriation or sabotage of any property of the establishment.

10. **Payment of minimum bonus.**—Every employer shall be bound to pay to every employee who has worked in the establishment for all the working days in an accounting year a minimum bonus which shall be four per cent of the salary or wage of the employee for the accounting year or forty rupees, whichever is higher, whether there are profits in the accounting year or not :

Provided that where such employee has not completed fifteen years of age at the beginning of the accounting year, the provisions of this section shall have effect in relation to such employee as if for the words "forty rupees", the words "twenty-five rupees" were substituted.

11. Payment of maximum bonus.—(1) Where in respect of any accounting year the allocable surplus exceeds the amount of minimum bonus payable to the employees under section 10, the employer shall, in lieu of such minimum bonus, be bound to pay to every employee who has worked in the establishment for all the working days in the accounting year bonus which shall be an amount in proportion to the salary or wage of the employee for the accounting year subject to a maximum of twenty per cent of such salary or wage.

(2) In computing the allocable surplus under this section the amount set on or the amount set off under the provisions of section 15 shall be taken into account in accordance with the provisions of that section.

12. Calculation of bonus with respect to certain employees.—Where the salary or wage of an employee exceeds seven hundred and fifty rupees per mensem, the bonus payable to such employee under section 10 or, as the case may be, under section 11, shall be calculated as if his salary or wage were seven hundred and fifty rupees per mensem.

13. Proportionate reduction of bonus in certain cases.—Where an employee has not worked for all the working days in any accounting year, the amount of bonus to which he shall be entitled under section 10, or, as the case may be, under section 11, shall be proportionately reduced.

14. Computation of number of working days.—In computing for the purposes of sections 10, 11 and 13 the number of days on which an employee has worked in an establishment in any accounting year, the days on which—

(*a*) he has been laid off under an agreement or as permitted by standing orders under the Industrial Employment (Standing Orders) Act, 1946 (20 of 1946), or under the Industrial Disputes Act, 1947 (14 of 1947), or under any other law applicable to the establishment ;

(*b*) he has been on leave with salary or wage ;

(*c*) he has been absent due to temporary disablement caused by accident arising out of and in the course of his employment ; and

(*d*) the employee has been on maternity leave with salary or wage,

during the accounting year shall be included.

15. Set on and set off of allocable surplus.—(1) Where for any accounting year the allocable surplus exceeds the amount of maximum bonus payable to the employees in the establishment under section 11, then, the excess shall, subject to a limit of twenty per cent of the total salary or wage of the employees employed in the establishment in that accounting year, be carried forward for being set on in the succeeding accounting year and so on up to and inclusive of the fourth accounting year to be utilised for the purpose of payment of bonus in the manner illustrated in the Fourth Schedule.

(2) Where for any accounting year, there is no available surplus or the allocable surplus in respect of that year falls short of the amount of minimum bonus payable to the employees in the establishment under section 10, and there is no amount or sufficient amount carried forward and set on under sub-section (1) which could be utilised for the purpose of payment of the minimum bonus, then, such minimum amount or the deficiency, as the case may be, shall be carried forward for being set off in the succeeding accounting year and so on up to and inclusive of the fourth accounting year in the manner illustrated in the Fourth Schedule.

(3) The principle of set on and set off as illustrated in the Fourth Schedule shall apply to all other cases not covered by sub-section (1) or sub-section (2) for the purpose of payment of bonus under this Act.

(4) Where in any accounting year any amount has been carried forward and set on or set off under this section, then, in calculating bonus for the succeeding accounting year, the amount of set on or set off carried forward from the earliest accounting year shall first be taken into account.

16. Special provisions with respect to certain establishments.—(1) Where an establishment is newly set up, whether before or after the commencement of this Act, the employees of such establishment shall be entitled to be paid bonus under this Act only—

(*a*) from the accounting year in which the employer derives profit from such establishment ; or

(*b*) from the sixth accounting year following the accounting year in which the employer sells the goods produced or manufactured by him or renders services, as the case may be, from such establishment,

whichever is earlier :

Provided that in the case of any such establishment the employees thereof shall not, save as otherwise provided in section 33, be entitled to be paid bonus under this Act in respect of any accounting year prior to the accounting year commencing on any day in the year 1964.

Explanation I.—For the purpose of this section, an establishment shall not be deemed to be newly set up merely by reason of a change in its location, management, name or ownership.

Explanation II.—For the purpose of clause (*a*), an employer shall not be deemed to have derived profit in any accounting year unless—

(*a*) he has made provision for that year's depreciation to which he is entitled under the Income-tax

Act or, as the case may be, under the agricultural income-tax law; and

(b) the arrears of such depreciation and losses incurred by him in respect of the establishment for the previous accounting years have been fully set off against his profits.

Explanation III.—For the purpose of clause (b), sale of the goods produced or manufactured during the course of the trial run of any factory or of the prospecting stage of any mine or an oil-field shall not be taken into consideration and where any question arises with regard to such production or manufacture, the decision of the appropriate Government, made after giving the parties a reasonable opportunity of representing the case, shall be final and shall not be called in question by any court or other authority.

(2) The provisions of sub-section (1) shall, so far as may be, apply to new departments or undertakings or branches set up by existing establishments :

Provided that if an employer in relation to an existing establishment consisting of different departments or undertakings or branches (whether or not in the same industry) set up at different periods has, before the 29th May, 1965, been paying bonus to the employees of all such departments or undertakings or branches irrespective of the date on which such departments or undertakings or branches were set up, on the basis consolidated profits computed in respect of all such departments or undertakings or branches, then, such employer shall be liable to pay bonus in accordance with the provisions of this Act to the employees of all such departments or undertakings or branches (whether set up before or after that date) on the basis of the consolidated profits computed as aforesaid.

17. Adjustment of customary or interim bonus against bonus payable under the Act.—Where in any accounting year—

(a) an employer has paid any puja bonus or other customary bonus to an employee ; or (*b*) an employer has paid a part of the bonus payable under this Act to an employee before the date on which such bonus becomes payable,

then the employer shall be entitled to deduct the amount of bonus so paid from the amount of bonus payable by him to the employee under this Act in respect of that accounting year and the employee shall be entitled to receive only the balance.

18. Deduction of certain amounts from bonus payable under the Act.—Where in any accounting year, an employee is found guilty of misconduct causing financial loss to the employer, then, it shall be lawful for the employer to deduct the amount of loss from the amount of bonus payable by him to the employee under this Act in respect of that accounting year only and the employee shall be entitled to receive the balance, if any.

19. Time-limit for payment of bonus.—All amounts payable to an employee by way of bonus under this Act shall be paid in cash by his employer—

(*a*) where there is a dispute regarding payment of bonus pending before any authority under section 22, within a month of the settlement or award in respect of such dispute;

(*b*) in any other case, within a period of eight months from the close of the accounting year:

Provided that the appropriate Government or such authority as the appropriate Government may specify in this behalf may, upon an application made to it by the employer and for sufficient reasons, by order, extend the said period of eight months to such further period or periods as it thinks fit; so, however, that the total period so extended shall not in any case exceed two years.

20. Application of Act to establishments in public sector in certain cases.—(1) If in any accounting year an establishment in public sector sells any goods produced or manufactured by it or renders any services, in competition with an establishment in private sector, and the income from such sale or services or both is not less than twenty per cent of the gross income of the establishment in public sector for that year, then, the provisions of this Act shall apply in relation to such establishment in public sector as they apply in relation to a like establishment in private sector.

(2) An establishment in public sector to which this Act applies shall continue to be governed by this Act notwithstanding that in any subsequent accounting year its income from the sale of goods produced or manufactured by it or from services rendered or from both, in competition with an establishment in private sector, falls below twenty per cent of its gross income for that accounting year.

21. Recovery of bonus due from an employer.—Where any money is due to an employee by way of bonus from his employer under a settlement or an award or agreement, the employee himself or any other person authorised by him in writing in this behalf, or in the case of the death of the employee, his assignee or heirs may, without prejudice to any other mode of recovery, make an application to the appropriate Government for the recovery of the money due to him, and if the appropriate Government or such authority as the appropriate Government may specify in this behalf is satisfied that any money is so due, it shall issue a certificate for that amount to the Collector who shall proceed to recover the same in the same manner as an arrrear of land revenue :

Provided that every such application shall be made within one year from the date on which the money became due to the employee from the employer :

Provided further that any such application may be entertained after the expiry of the said period of one year, if the appropriate Government is satisfied that the applicant had sufficient cause for not making the application within the said period.

Explanation.—In this section and in sections 22, 23, 24 and 25 "employee" includes a person who is entited to the payment of bonus under this Act but who is no longer in employment.

22. Reference of disputes under the Act.—*Where any dispute arises between an employer and his employees with respect to the bonus payable under this Act or with respect to the application of this Act to an establishment in public sector, then, such dispute shall be deemed to be an industrial dispute within the meaning of the Industrial Disputes Act,* 1947 (14 *of* 1947), *or of any corresponding law relating to investigation and settlement of industrial disputes in force in a State and the provisions of that Act or, as the case may be, such law, shall save as otherwise expressly provided, apply accordingly.*

23. Presumption about accuracy of balance-sheet and profit and loss account of corporations and companies.—(1) Where, during the course of proceedings before any arbitrator or Tribunal under the Industrial Disputes Act, 1947 (14 of 1947,) or under any corresponding law relating to investigation and settlement of industrial disputes in force in a State (hereinafter in this section and in sections 24 and 25 referred to as the "said authority") to which any dispute of the nature specified in section 22 has been referred, the balance-sheet and the profit and loss account of an employer, being a corporation or a company (other than a banking company), duly audited by the Comptroller and Auditor-General of India or by auditors duly qualified to act as auditors of companies under sub-section (1) of section 226 of the Companies Act, 1956 (1 of 1956), are produced before it, then, the said authority may presume the statements and particulars contained in such balance-sheet and profit and loss account to be accurate and it shall not be necessary for the corporation or the company to prove the accuracy of such statements and particulars by the filing of an affidavit or by any other mode :

Provided that where the said authority is satisfied that the statements and particulars contained in the balance-sheet or the profit and loss account of the corporation or the company are not accurate, it may take such steps as it thinks necessary to find out the accuracy of such statements and particulars.

(2) When an application is made to the said authority by any trade union being a party to the dispute or where there is no trade union, by the employees being a party to the dispute, requiring any clarification relating to any item in the balance-sheet or the profit and loss account, it may, after satisfying itself that such clarification is necessary, by order, direct the corporation or, as the case may be, the company, to furnish to the trade union or the employees such clarification within such time as may be specified in the direction and the corporation or, as the case may be, the company, shall comply with such direction.

24. Audited accounts of banking companies not to be questioned.—(1) Where any dispute of the nature specified in section 22 between an employer, being a banking company, and its employees has been referred to the said authority under that section and during the course of proceedings the accounts of the banking company duly audited are produced before it, the said authority shall not permit any trade union or employees to question the correctness of such accounts, but the trade union or the employees may be permitted to obtain from the banking company such information as is necessary for verifying the amount of bonus due under this Act.

(2) Nothing contained in sub-section (1) shall enable the trade union or the employees to obtain any information which the banking company is not compelled to furnish under the provisions of section 34A of the Banking Companies Act, 1949 (10 of 1949).

25. Audit of accounts of employers, not being corporations or companies.—(1) Where any dispute of the nature specified in section 22 between an employer, not being a corporation or a company, and his employees has been referred to the said authority under that section and the accounts of such employer audited by any auditor duly qualified to act as auditor of companies under sub-section (1) of section 226 of the Companies Act, 1956 (1 of 1956), are produced before the said authority, the provisions of section 23, shall, so far as may be, apply to the accounts so audited.

(2) When the said authority finds that the accounts of such employer have not been audited by any such auditor and it is of opinion that an audit of the accounts of such employer is necessary for deciding the question referred to it, than, it may, by order, direct the employer to get his accounts audited within such time as may be specified in the direction or within such further time as it may allow by such auditor or auditors as it thinks fit and thereupon the employer shall comply with such direction.

(3) Where an employer fails to get the accounts audited under sub-section (2) the said authority may, without prejudice to the provisions of section 28, get the accounts audited by such auditor or auditors as it thinks fit.

(4) When the accounts are audited under sub-section (2) or sub-section (3) the provisions of section 23 shall, so far as may be, apply to the accounts so audited.

(5) The expenses of , and incidental to, any audit under sub-section (3) (including the remuneration of the auditor or auditors) shall be determined by the said authority (which determination shall be final) and paid by the employer and in default of such payment shall be recoverable from the employer in the manner provided in section 21.

26. Maintenance of registers, records, etc.—Every employer shall prepare and maintain such registers, records and other documents in such form and in such manner as may be prescribed.

27. Inspectors.—(1) *The appropriate Government may, by notification in the Official Gazette, appoint such* *persons as it thinks fit to be Inspectors for the purposes of this Act and may define the limits within which theyallhs exercise jurisdiction.*

(2) An Inspector appointed under sub-section (1) may, for the purpose of ascertaining whether any of the provisions of this Act has been complied with—

(*a*) require an employer to furnish such information as he may consider necessary ;

(*b*) at any reasonable time and with such assistance, if any, as he thinks fit, enter any establishment or any premises connected therewith and require any one found in charge thereof to produce before him for examination any accounts, books, registers and other documents relating to the employment of persons or the payment of salary or wage or bonus in the establishment ;

(*c*) examine with respect to any matter relevant to any of the purposes aforesaid, the employer, his agent or servant or any other person found in charge of the establishment or any premises connected therewith or any person whom the Inspector has reasonable cause to believe to be or to have been an employee in the establishment ;

(*d*) make copies of, or take extracts from, any book, register or other document maintained in relation to the establishment ;

(*e*) exercise such other powers as may be prescribed.

(3) Every Inspector shall be deemed to be a public servant within the meaning of the Indian Penal Code (45 of 1860).

(4) Any person required to produce any accounts, book, register or other document or to give information by an Inspector under sub-section (1) shall be legally bound to do so.

(5) Nothing contained in this section shall enable an Inspector to require a banking company to furnish or

disclose any statement or information or to produce, or give inspection of, any of its books of account or other documents, which a banking company cannot be compelled to furnish, disclose, produce or give inspection of, under the provisions of section 34A of the Banking Companies Act, 1949 (10 of 1949).

28. Penalty.—If any person—

(*a*) contravenes any of the provisions of this Act or any rule made thereunder ; or

(*b*) to whom a direction is given or a requisition is made under this Act fails to comply with the direction or requisition,

he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

29. Offences by companies.—(1) If the person committing an offence under this Act is a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemced to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a*) "company" means any body corporate and includes a firm or other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

30. Cognizance of offences.—(1) No court shall take cognizance of any offence punishable under this Act, save on complaint made by or under the authority of the appropriate Government.

(2) No court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under this Act.

31. Protection of action taken under the Act.—No suit, prosecution or other legal proceeding shall lie against the Government or any officer of the Government for anything which is in good faith done or intended to be done in pursuance of this Act or any rule made thereunder.

32. Act not to apply to certain classes of employees.—Nothing in this Act shall apply to—

(*i*) employees employed by any insurer carrying on general insurance business and the employees employed by the Life Insurance Corporation of India;

(*ii*) seamen as defined in clause (42) of section 3 of the Merchant shipping Act, 1958 (44 of 1958);

(*iii*) employees registered or listed under any scheme made under the Dock Workers (Regulation of Employment) Act, 1948, (9 of 1948) and employed by registered or listed employers;

(*iv*) employees employed by an establishment engaged in any industry carried on by or under the authority of any department of the Central Government or a state Government or a local authority;

(*v*) employees employed by—

(*a*) the Indian Red Cross Society or any other institution of a like nature (including its branches) ;

(*b*) universities and other educational institutions ;

(*c*) institutions (including hospitals, chambers of commerce and social welfare institutions) established not for purposes of profit ;

(*vi*) employees employed through contractors on building operations ;

(*vii*) employees—

(*a*) who have entered before the 29th May, 1965, into any agreement or settlement with their employers for payment of an annual bonus linked with production or productivity in lieu of bonus based on profits ; or

(*b*) who have entered or may enter after that date into any agreement or settlement with their employers for payment of such annual bonus in lieu of the bonus payable under this Act,

for the period for which such agreement or settlement is in operation ;

(*viii*) employees employed by the Reserved Bank of India ;

(*ix*) employees employed by—

(*a*) the Industrial Finance Corporation of India ;

(*b*) any Financial Corporation established under section 3, or any Joint Financial Corporation established under section 3A, of the State Financial Corporations Act, 1951 (63 of 1951 ;)

(*c*) the Deposit Insurance Corporation ;

(*d*) the Agricultural Refinance Corporation ;

(*e*) the Unit Trust of India ; and

(*f*) the Industrial Development Bank of India ;

(*x*) Employees employed by any establishment in public sector, save as otherwise provided in this Act.

33. Act to apply to certain pending disputes regarding payment of bonus.—Where, immediately before the 2nd September, 1964, any industrial dispute regarding payment of bonus relating to any accounting year, not being an accounting year earlier than the accounting year ending on any day in the year 1962, was pending before the appropriate Government or before any Tribunal or other authority under the Industrial Disputes Act, 1947 (14 of 1947), or under any corresponding law relating to investigation and settlement of industrial disputes in a State, then, the bonus shall be payable in accordance with the provisions of this Act in relation to the accounting year to which the dispute relates and any subsequent accounting year, notwithstanding that in respect of that subsequent accounting year no such dispute was pending.

Explanation.—A dispute shall be deemed to be pending before the appropriate Government where no decision of that Government on any application made to it under the said Act or such corresponding law for reference of that dispute to adjudication has been made or where having received the report of the Conciliation Officer (by whatever designation known) under the said Act or law, the appropriate Government has not passed any order refusing to make such reference.

34. Effect of laws and agreements inconsistent with the Act.—(1) Save as otherwise provided in this section, the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in the terms of any award, agreement, settlement or contract of service made before the 29th May, 1965.

(2) If in respect of any accounting year the total bonus payable to all the employees in any establishment under this Act is less than the total bonus paid or payable to all the employees in that establishment in respect of the base year under any award, agreement, settlement or contract of service, then, the employees in the establishment shall be paid bonus in respect of that accounting

year as if the allocable surplus for the accounting year were an amount which bears the same ratio to the gross profits of the said accounting year as the total bonus paid or payable in respect of the base year bears to the gross profits of the base year :

Provided that nothing contained in this sub-section shall entitle any employee to be paid bonus exceeding twenty per cent of his salary or wage for the accounting year :

Provided further that if in any accounting year the allocable surplus computed as aforesaid exceeds the amount of maximum bonus payable to the employees in the establishment under the first proviso, then, the provisions of section 15 shall, so far as may be, apply to such excess.

Explanation I.—For the purpose of this sub-section, the total bonus in respect of any accounting year shall be deemed to be less than the total bonus paid or payable in respect of the base year if the ratio of bonus payable in respect of the accounting year to the gross profits of that year is less than the ratio of bonus paid or payable in respect of the base year to the gross profits of that year.

Explanation II.—In this sub-section,—

(*a*) "base year" means—

(*i*) in a case where immediately before the 2nd September, 1964, any dispute of the nature specified in section 33 was pending before the appropriate Government or before any Tribunal or other authority under the Industrial Disputes Act, 1947 (14 of 1947), or under any corresponding law relating to investigation and sttlement of industrial disputes in a State, the accounting year immediately preceding the accounting year to which the dispute relates ;

(*ii*) in any other case, the period of twelve months immediately preceding the accounting year in which this Act becomes applicable to the establishment ;

(*b*) "gross profits" in relation to the base year or, as the case may be, to the accountaing year, means gross profits as reduced by the direct taxes payable by the employer in respect of that year.

(3) Nothing contained in this Act shall be construed to preclude employees employed in any establishment or class of establishments from entering into agreement with their employer for granting them an amount of bonus under a formula is different from that under this Act.

35. Saving.—Nothing contained in this Act shall be deemed to affect the provisions of the Coal Mines Provident Fund and Bonus Schemes Act, 1948 (46 of 1948) or of any scheme made thereunder.

36. Power of exemption.—If the appropriate Government, having regard to the financial position and other relevant circumstances of any establishment or class of establishments, is of opinion that it will not be in public interest to apply all or any of the provisions of this Act thereto, it may, by notification in the Official Gazette, exempt for such period as may be specified therein and subject to such conditions as it may think fit to impose, such establishment or class of establishments from all or any of the provisions of this Act.

37. Power to remove difficulties.—If any difficulty or doubt arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provision, not inconsistent with the purposes of this Act as appears to it to be necessary or expedient for the removal of the difficulty or doubt; and the order of the Central Government, in such cases, shall be final.

38. Power to make rules.—(1) The Central Government may make rules for the purpose of carrying into effect the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) the authority for granting permission under the proviso to sub-clause (*iii*) of clause (1) of section 2;

(*b*) the preparation of registers, records and other documents and the form and manner in which such registers, records and documents may be maintained under section 26;

(*c*) the powers which may be exercised by an Inspector under clause (*e*) of sub-section (2) of section 27;

(*d*) any other matter which is to be, or may be, prescribed.

(3) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days, which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

39. Application of certain laws not barred.—Save as otherwise expressly provided, the provisions of this Act shall be in addition to and not in derogation of the Industrial Disputes Act, 1947 (14 of 1947), or any corresponding law relating to investigation and settlement of industrial disputes in force in a State.

40. Repeal and saving.—(1) The payment of Bonus Ordinance, 1965 (3 of 1965), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act as if this Act had commenced on the 29th May, 1965.

THE FIRST SCHEDULE.

[*See* section 4 (*a*)].

COMPUTATION OF GROSS PROFITS.

Accounting Year ending...............

Item No. 1	*Particulars* 2	*Amount of sub-items* 3	*Amount of main items* 4	*Remarks* 5
		Rs.	Rs.	
*1.	*Net Profits* as shown in the Profit and Loss Account after making usual and necessary provisions.			
2.	*Add back* provision for :			
	(*a*) Bonus.			
	(*b*) Depreciation.			
	(*c*) Development Rebate Reserve.			*See* foot-note (1)
	(*d*) Any other reserves			*See* foot-note (1)
	Total of Item No. 2	Rs.		
3.	*Add back* also :			
	(*a*) Bonus paid in respect of previous accounting years.			*See* foot-note (1)
	(*b*) Donations in excess of the amount admissible for income-tax.			

---

*Where the profit subject to taxation is shown in the Profit and Loss Account and the provision made for taxes on income is shown, the actual provision for taxes on income shall be deducted from the profit.

1	2	3	4	5
		Rs.	Rs.	
	(c) Capital expenditure (other than capital expenditure on scientific research which is allowed as a deduction under any law for the time being in force relating to direct taxes) and capital losses (other than losses on sale of capital assets on which depreciation has been allowed for income-tax).			*See* foot-note ( )
	(d) Any amount certified by the Reserve Bank of India in terms of sub-section (2) of section 34A of the Banking Companies Act, 1949 (10 of of 1949).			
	(e) Losses of, or expenditure relating to, any business situated outside India.			
Total of Item No. 3		Rs.		
4.	*Add also* Income, profits or gains (if any) credited directly to published or disclosed reserves, *other than*— (i) capital receipts and capital profits (including profits on the sale of capital assets on which depreciation has not been allowed for income-tax) ;			

1	2	3	4	5
		Rs.	Rs.	
	(*ii*) profits of, and receipts relating to, any business situated outside India ;			
	(*iii*) income of foreign banking companies from investments outside India.			
	Net total of Item No. 4	Rs.		
5.	Total of Item Nos. 1, 2, 3 and 4.		Rs.	
6.	*Deduct :*			
	(*a*) Capital receipts and capital profits (other than profits on the sale of assets on which depreciation has been allowed for income-tax).			*See foot-note* (2)
	(*b*) Profits of, and receipts relating to, any business situated outside India.			*See* foot-note (2)
	(*c*) Income of foreign banking companies from investments outside India.			*See foot-note* (2)
	(*d*) Expenditure or losses (if any) debited directly to published or disclosed reserves, *other than*—			
	(*i*) capital expenditure and capital losses (other than losses on sale of capital assets on which depreciation has not been allowed for income-tax ;			

1	2	3	4	5
	(*ii*) losses of any business situated outside India.			
	(*e*) In the case of foreign banking companies proportionate administrative (overhead) expenses of Head Office allocable to Indian business.			*See* foot-note (3)
	(*f*) Refund of any excess direct tax paid for previous accounting years and excess provision, if any, of previous accounting years, relating to bonus, depreciation, or development rebate, if written back.			*See* foot-note (2)
	(*g*) Subsidy, if any, received from Government or from any body corporate established by any law for the time being in force.			*See* foot-note (2)
	Total of Item No. 6	Rs.		
7.	Gross Profits for purposes of bonus (Item No. 5 minus Item No. 6).		Rs.	

Foot-notes—

(1) If, and to the extent, charged to Profit and Loss Account.

(2) If, and to the extent, credited to Profit and Loss Account.

(3) In the proportion of Indian Gross Profit (Item No. 7) to Total World Gross Profit (as per consolidated Profit and Loss Account, adjusted as in Item No. 2 above only).

THE SECOND SCHEDULE

[*See* section 4 (*b*)]

COMPUTATION OF GROSS PROFITS

Accounting Year ending……

Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
1.	*Net Profit* as per Profit and Loss Account.			
2.	*Add back* provision for:			
	(*a*) Bonus.			
	(*b*) Depreciation.			
	(*c*) Direct taxes, including the provision (if any) for previous accounting years.			
	(*d*) Development rebate/ Development allowance reserve.			*See* foot-note (1)
	(*e*) Any other reserves			*See* foot-note (1)
Total of item No. 2		Rs.		
3.	*Add back* also :			
	(*a*) Bonus paid in respect of previous accounting years.			*See* foot-note (1)
	(*b*) Donations in excess of the amount admissible for income-tax.			
	(*c*) Any annuity due, or commuted value of any annuity paid under the provisions of section 280D of the Income-tax Act during the accounting year.			

1	2	3	4	5
		Rs.	Rs.	
	(*d*) Capital expenditure (other than capital expenditure on scientific research which is allowed as a deduction under any law for the time being in force relating to direct taxes) and capital losses (other than losses on sale of capital assets on which depreciation has been allowed for income-tax or agricultural income-tax)			*See* foot-note (1)
	(*e*) Losses of, or expenditure relating to, any business situated outside India.			
Total of Item No. 3				
4.	*Add also* Income, profits or gains (if any) credited directly to reserves, *other than*— (*i*) capital receipts and capital profits (including profits on the sale of capital assets on which depreciation has not been allowed for income tax or agricultural income-tax); (*ii*) profits of, and receipts relating to, any business situated outside India ;			

1	2	3	4	5
	(*iii*) income of foreign concerns from investments outside India.	Rs.	Rs.	
	Net total of Item No. 4	Rs.		
5.	Total of Item Nos. 1, 2, 3 and 4.	Rs.		
6.	*Deduct :*			
	(*a*) Capital receipts and capital profits (other than profits on the sale of assets on which depreciation has been allowed for income-tax or agricultural income tax).			*See* foot-note (2)
	(*b*) Profits of, and receipts relating to, any business situated outside India.			*See* foot-note (2)
	(*c*) Income of foreign concerns from investments outside India.			*See* foot-note (2)
	(*d*) Expenditure or losses (if any) debited directly to reserves, *other than*—			
	(*i*) capital expenditure and capital losses (other than losses on sale of capital assets on which depreciation has not been allowed for income-tax or agricultural income-tax);			
	(*ii*) losses of any bunisess situated outside India.			

1	2	3	4	5
		Rs.	Rs.	
	(*e*) In the case of foreign concerns proportionate administrative (overhead) expenses of Head Office allocable to Indian business.			*See* foot-note (3)
	(*f*) Refund of any direct tax paid for previous accounting years and excess provisions, if any, of previous accounting years relating to bonus, depreciation, taxation or development rebate or development allowance, if written back.			*See* foot-note (2)
	(*g*) Subsidy, if any, received from Government or from any body corporate established by any law for the time being in force.			
	Total of Item No. 6	Rs.		
7.	Gross Profits for purposes of bonus (Item No. 5 minus Item No. 6).		Rs.	

Foot-notes—

(1) If, and to the extent, charged to Profit and Loss Account.

(2) If , and to the extent, credited to Profit and Loss Account.

(3) In the proportion of Indian Gross Profit (Item No. 7) to Total World Gross Profit (as per Consolidated Profit and Loss Account, adjusted as in Item No. 2 above only).

THE THIRD SCHEDULE

[*See* Section 6(*d*)]

Item No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)
1.	Company other than a banking company.	(*i*) The dividends payable on its preference share capital for the accounting year calculated at the actual rate at which such dividends are payable ; (*ii*) 8.5 per cent of its paid up equity share capital as at the commencement of the accounting year ; (*iii*) 6 per cent of its reserves shown in its balance-sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year : Provided that where the employer is a foreign company within the meaning of section 591 of the Companies Act, 1956, (1 of 1956) the total amount to be deducted under this Item shall be 8.5 per cent on the aggregate of the value of the net fixed assets and the current assets of the company in India after deducting the amount of its current liabilities (other than any amount shown as payable by the company to its Head Office whether towards any advance made by the Head Office or otherwise or any interest paid by the company to its Head Office) in India.
2.	Banking company	(*i*) The dividends payable on its preference share capital for the accounting year calculated at the rate at which such dividends are payable ; (*ii*) 7.5 per cent of its paid up equity share capital as at the commencement of the accounting year ;

(1)	(2)	(3)
		(*iii*) 5 per cent of its reserves shown in its balance-sheet as at the commencenmet of the accounting year, including any profits carried forward from the previous accounting year ; (*iv*) any sum which, in respect of the accounting year, is transferred by it— (*a*) to a reserve fund under sub-section (1) of section 17 of the Banking Companies Act, 1949 ; (10 of 1949) or (*b*) to any reserves in India in pursuance of any direction or advice given by the Reserve Bank of India, whichever is higher : Provided that where the banking company is a foreign company within the meaning of section 591 of the Companies Act, 1956, (1 of 1956) the amount to be deducted under this Item shall be the aggregate of— (*i*) the dividends payable to its preference shareholders for the accounting year at the rate at which such dividends are payable on such amount as bears the same proportion to its total Preference Share Captial as its total working funds in India bear to its total world working funds , (*ii*) 7.5 per cent of such amount as bears the same proportion to its total paid up equity share capital as its total working funds in India bear to its total world working funds , (*iii*) 5 per cent of such amount as bears the same proportion to its total disclosed reserves as its total working funds in India bear to its total world working funds ;

(1)	(2)	(3)
		(*iv*) any sum which, in respect of the accounting year, is deposited by it with the Reserve Bank of India under sub-clause (*ii*) of clause (*b*) of sub-section (2) of section 11 of the Banking Companies Act, 1949 (10 of 1949), not exceeding the amount required under the aforesaid provision to be so deposited.
3.	Corporation	(*i*) 8.5 per cent of its paid up capital as at the commencement of the accounting year ; (*ii*) 6 per cent of its reserves, if any, shown in its balance-sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year.
4.	Co-operative society ..	(*i*) 8.5 per cent of the capital invested by such society in its establishment as evidenced from its books of acccounts at the commencement of the accounting year ; (*ii*) such sum as has been carried forward in respect of the accounting year to a reserve fund under any law relating to co-operative societies for the time being in force.
5.	Any other employer not falling under any of the aforesaid categories.	8.5 per cent of the capital invested by him in his establishment as evidenced from his books of accounts at the commencement of the accounting year ; Provided that where such employer is a person to whom Chapter XXIIA of the Income-tax Act applies, the annuity deposit payable by him under the provisions of that Chapter during the accounting year shall also be deducted :

1	2	3
		Provided further that where such employer is a firm, an amount equal to 25 per cent of the gross profits derived by it from the establishment in respect of the accountintg year after deducting depreciation in accordance with the provisions of clause (*a*) of section 6 by way of remuneration to all the partners taking part in the conduct of business of the establishment shall also be deducted, but where the partnership agreement, whether oral or written, provides for the payment of remuneration to any such partner, and— (*i*) the total remuneration payable to all such partners is less than the said 25 per cent., the amount payable, subject to a maximum of forty-eight thousand rupees to each such partner; or (*ii*) the total remuneration payable to all such partners is higher than the said 25 per cent, such percentage, or a sum calculated at the rate of forty-eight thousand rupees to each such partner, whichever is less, shall be deducted under this proviso: Provided also that where such employer is an individual or a Hindu undivided family,— (*i*) an amount equal to 25 per cent of the gross profits derived by such employer from the establishment in respect of the accounting year after deducting depreciation in accordance with provisions of clause (*a*) of section 6; or (*ii*) forty-eight thousand rupees, which ever is less, by way of remuneration to such employer, shall also be deducted.

Item No.	Category of Employer	Further Sums to be deducted
6.	Any employer falling under Item No. I or Item No. 3 or Item No. 4 or Item No. 5 and being a licensee within the meaning of the Electricity Supply Act, 1948 (54 of 1948)	In addition to the sums deductible under any of the aforesaid Items, such sums as are required to be appropriated by the licensee in respect of the accounting year to a reserve under the Sixth Schedule to that Act shall also be deducted.

Explanation.—The expression "reserves" occurring in column (3) against Item Nos. 1 (*iii*), 2(*iii*) and 3(*ii*) shall not include any amount set apart for the purpose of—

(*i*) payment of any direct tax which, according to the balance-sheet would be payable;

(*ii*) meeting any depreciation admissible in accordance with the provisions of clause (*a*) of section 6 ;

(*iii*) payment of dividends which have been declared but shal include—

(*a*) any amount, over and above the amount referred to in clause (*i*) of this *Explanation*, set apart as specific reserve for the purpose of payment of any direct tax; and

(*b*) anyamount set apart for meeting any depreciation in excess of the amount admissible in accordance with the provisions of clause (*a*) of section 6.

THE FOURTH SCHEDULE

(*See* section 15)

In this Schedule, the total amount of bonus equal to four per cent of the annual salary or wage payable to all the employees is assumed to be Rs. 50 000. Accordingly, the maximum bonus to which all the employees are entitled to be paid (twenty per cent of the annual salary or wage of all the employees) would be Rs. 2,50,000

Year.	Amount equal to sixty per cent or sixty seven per cent., as the case may be, of available surplus allocable as bonus.	Amount payable as bonus.	Set on or set off of the year carried forward.	Total set on or set off carried forward.	
(1)	(2)	(3)	(4)	(5)	
	Rs	Rs.	Rs.	Rs	of (year)
1	70 000	70 000	Nil	Nil	
2	6,35,000	2,50,000*	Set on 2,50,000*	Set on 2,50,000	(2)
	2,20,000	2,50,000* (Inclusive of 30,000 from year-2)	Nil	Set on 2,20,000'	(2)
	3,75,000	2,50,000*	Set on 1,25,000	Set on 2,20,000 1,25,000	(2) (4)
		2,50,000* (inclusive of 1,10,000 from year-2)	Nil	Set on 1,10,000 1,25,000	(2) (4)
		2,50,000*	Set on 60,000	Set on Nil† 1,25 000 60,000	(2) (4) (6)
	1,00,000	2,50,000* (inclusive of 1,25,000 from year-4 and 25,000 from year-6).	Nil	Set on 35,000	(6)
	Nil (due to loss)	50,000** (inclusive of 35 000 (from year-6)	Set off 15,000	Set off 15,000	(8)
	10,000	50,000**	Set off 40,000	Set off 15,000 40,000	(8) (9)
	2,15,000	1,60,000 (after setting off 5 000 from year-8 and 40 000 from year-9)	Nil	Nil	

Notes—

*Maximum.

The balance of Rs. 1,10,000 set on from year-2 lapses.

**Minimum.

STATEMENT OF OBJECTS AND REASONS

A Tripartite Commission was set up by the Government of India by their Resolution No. WB-20 (9)/61, dated the 6th December, 1961, to consider, in a comprehensive manner, the question of payment of bonus based on profits to employees employed in establishments and to make recommendations to the Government. The Commission's Report, containing their recommendations, was received by the Government on the 24th January, 1964. In their Resolution No. WB-20 (3)/64, dated the 2nd September, 1964 the Government announced acceptance of the Commission's recommendations subject to a few modifications as were mentioned therein. With a view to implement the recommendations of the Commission as accepted by the Government, the Payment of Bonus Ordinance, 1965, was promulgated on 29th May, 1965. The object of the Bill is to replace the said Ordinance.

The notes on clauses explain the various provisions of the Bill.

D. SANJIVAYYA,

NEW DELHI,
The 5*th August* 1965.

PAGE No. 36—37.

Notes on clauses

Clause 1.—*Sub-clause* (2): The subject matter of the proposed legislation is relatable to entry 24 in the Concurrent List. This entry, in so far as it relates to the State of Jammu and Kashmir, is applicable only with respect to labour employed in the coal mining industry. Even with regard to coal-mining industry, if it is carried on by a conpany, the application of the proposed legislation will raise difficulties as the Companies Act, 1956, applies to the State of Jammu and Kashmir only to the extent to which the provisions of that Act relate to the incorporation, regulation and winding up of banking, insurance and financial corporations. For this reason, the Act does not extend to the State of 'Jammu and Kashmir.'

Sub-clauses (3) *and* (4).—The provisions of the Act apply from the accounting year commencing on any day in the year 1964, to every factory; and to every other establishment in which twenty or more persons are employed on any day during an accounting year.

Sub-clause (5).—Provision has been made in the sub-clause to the effect that an establishment to which the Act applies shall continue to be governed by the Act even if the number of persons employed therein falls below twenty, subsequently.

Clause 2.—The definition of "allocable surplus' in sub-clause (4) is based on the recommendation of the Bonus Commission made in paragraphs 9.9 and 12.1 of its report.

The definition of 'employee' in sub-clause (13) is based on the definition of 'workman' in the industrial Disputes Act , 1947 except that apprentices have been excluded. In accordance with the recommendation of the commission contained in paragraph 12.7 of its report, all persons drawing a salary or wage up to Rs. 1,600 per mensem will come within the scope of the definition of 'employee'.

The term 'salary or wage' has been defined in sub-clause (21) keeping in view the recommendation made by the Commission in paragraph 12.4 of its report that bonus should be related to wages and dearness allowance taken together and that all other allowances such as over-time wages and incentive, production and attendance bonus including attendance bonus under Statutory Bonus Schemes should be excluded.

Clause 3. This clause provides for the payment of bonus unitwise in certain cases instead of establishment-wise. The clause is based on the recommendation made by the Commission in paragraph 6.12 of its report.

Clause 4.—The manner in which gross profits derived by an employer from an establishment may be calculated has been indicated in the clause.

Clause 6.—The clause provides for deductions of certain sums from the gross profits as prior charges for the purpose of computing the available surplus. The sums so deductible are—(1) any amount by way of depreciation admissible under the income-tax law (*vide* paragraphs 9.2 and 9.3 of the report of the Commission); (2) any development rebate or development allowance which the employer is eintitled to deduct from his income under the Income-tax Act; (3) all direct taxes; and (4) the sums specified in the Third Schedule in respect of the various categories of employers mentioned therein.

Clause 7.—The clause explains how the amount of direct tax payable by the employer shall be calculated. The provisions proposed in sub-clauses (*a*) to (*d*) are based on the recommendation of the Commission made in paragraphs 9.5,9.6,9.11 and 17.20 of its report Under sub-clause (*e*), any rebate, credit, relief, etc. allowed for the development of an industry shall not be taken into account in the calculation of the direct tax payable by the employer. This provision is intended to promote the development of industries.

Clause 8.—Under the clause , an employee should have worked in the establishment at least for thirty working days in an accounting year to be entitled to be paid bonus. This provision is based on the recommendation of the Commission made in paragraph 19.14 of its report.

Clause 9.—The clause provides that an employee who has been dismissed from service for fraud, riotous or violent behaviour, theft, etc., shall not be entitled to receive bonus from the employer. The clause is based on the recommendation of the Commission made in paragraph 19.18 of its report.

Clauses 10 *and* 11.—These clauses provide for the payment of a minimum and maximum bonus by the employer to his employees. Every employee who has worked in the establishment for all the working days in an accounting year shall be entitled to be paid bonus which shall not be less than four per cent of his annual salary or wage or Rs. 40 whichever is higher, or more tha 20 per cent of his annual salary or wage. In the case of an employee under 15 years of age, the minimum bonus payable will be four per cent of his annual salary or wage or Rs. 25 whichever is higher. These provisions are based on the recommendation of the Commission m ade on paragraph 12.5 of its report.

Clause 12.—In the case of an employee drawing more than Rs. 750 but less than Rs. 1,601 per mensem, as his salary or wage, the bonus (whether minimum or maximum) payable to him, shall be calculated as if his salary or wage were Rs. 750 per mensem. The clause is based on the recommendation of the Commission made in paragraph 12.7 of its report.

Clause 13.—The clause provides for a proportionate reduction of bonus in cases where an employee has not worked for all the working days in an accounting year. A recommendation to this effect is contained in paragraph 12.5 of the report of the Commission.

Clause 14.—The clause provides for the computation of the number of working days for the purpose of calculating the minimum and maximum bonus payable to an employee. The clause is based on the recommendation of the Commission made in paragraph 12.5 of its report and also on the provisions already existing in the Industrial Disputes Act, 1947.

Clause 15.—In certain accounting years, some amount may be left in the allocable surplus after the payment of maximum bonus to all the employees. To meet such cases, a provision for set on has been made in sub-clause (1). Similarly, in certain accounting years, there may not be any allocable surplus at all or the allocable surplus may not be sufficient to pay the minimum bonus to all the employees. To meet such contingencies, a provision for set off has been made in sub-clause (2). The amounts set on or set off have to be carried forward in the manner illustrated in the Fourth Schedule.

Sub-clause (4) provides that where in any accounting year any amount has been carried forward and set on or set off, then in calculating bonus for the succeeding accounting year, the amount of set on or set off brought forward from the earliest accounting year shall first be taken into account.

The provisions relating to set on and set off are based on the recommendation of the Commission made in paragraph 12.13 of its report.

Clause 16.—Sub-clause (1) of the clause provides for concessional treatment to newly set up establishments in matters relating to payment of bonus. In the case of newly set up establishments, bonus is payable only from the accounting year in which the employer derives profits from the establishment or from the sixth accounting year following the accounting year in which the employer sells the goods produced or manufactured by him or renders services, as the case may be, from the establishment, whichever is earlier.

Sub-clause (2) makes the provision of sub-clause (1) applicable to new departments or undertakings set up by existing establishments.

The clause seeks to give effect to the recommendation of the Commission made in paragraph 12.9 of its report.

Clause 17.—In paragraph 12.4 of its report, the Commission recommended that Puja bonus and other customary bonus, if paid, should be considered as bonus paid 'on account' and deducted from the amount finally payable as bonus. The clause is based on this recommendation. Provision has also been made in the clause for adjustment of any interim bonus paid in advance.

Clause 18.—The clause provides that where in any accounting year an employee is found guilty of misconduct causing financial loss to the employer, it shall be lawful for the employer to deduct the amount of loss from the amount of bonus payable by him to the employee. A recommendation to this effect has been made by the Commission in paragraph 19.17 of its report.

Clause 19.—The clause provides for the payment of bonus in cash and the time-limit for such payment. In cases where there is a dispute regarding payment of bonus, the bonus has to be paid within a month of the settlement or award in respect of such dispute. In other cases, bonus has to be paid within a period of eight months from the close of the accounting year. Power has been taken to extend, for sufficient reasons, the aforesaid period of eight months.

The clause generally follows the recommendation of the Commission made in paragraph 19.20 of its report.

Clause 20.—The clause provides for the application of the bonus formula to those public sector undertaking which fulfil the 20 per cent. competition test in accordance with recommendation contained in paragraph 18.8 of the Commission's report. It has also been provided that once the bonus formula is applied to such establishments, it shall continue to apply even if the 20 per cent. Competition test is not satisfied in any accounting year.

Clause 21.—The clause provides for the recovery from an employer of the amount due to an employee by way of bonus. The provision is on the lines of section 33C of the Industrial Disputes Act, 1947.

Clause 22.—The clause provides that any dispute regarding the bonus payable under the Act or with regard to the application of the Act to an establishment in public sector shall be deemed to be an industrial dispute within the meaning of the Industrial Disputes Act, 1947, or of any corresponding State Law and the provisions of the Industrial Disputes Act, 1947, or that State Law shall apply to such dispute.

Clause 23.—The clause provides, in accordance with the recommendations made in paragraphs 19.6 and 19.7 of the Commission's report, that if audited balance-sheets and profit and loss accounts of any corporation or company (other than a banking company) are produced in the course of proceedings before any authority to whom a dispute has been referred, that authority may presume the Statements and particulars contained in such balance-sheet and profit and loss account to be accurate. However, where that authority is satisfied that the particulars aforesaid are not correct, it may take necessary steps to find out the accuracy of such statements or particulars.

The authority may also, if it thinks necessary, require the corporation or the company to furnish to the union or the employees any clarification required by the union or the employees relating to any item in the balance-sheet or the profit and loss account.

Clause 24.—This clause is intended to give effect to the recommendations made in paragraph 19.10 of the Commission's report, namely that audited accounts of banking companies should not be questioned, but trade unions or employees may be permitted to obtain information for verifying the amount of bonus.

Clause 25.—This clause provides for the audit of accounts of an employer, not being a corporation or a company. Where the accounts of such an employer duly audited by qualified auditors are produced before any authority to whom a dispute has been referred, that authority shall presume the particulars contained in such accounts to be accurate. In cases where the accounts produced are not audited by qualified auditors, that authority has been given power to direct the employer to get the account audited by qualified auditors or to get the accounts audited by such auditors as it thinks fit. A recommendation to this effect is contained in paragraph 19.8 of the Commission's report.

Clause 26.—The clause provides for the maintenance of registers, records, etc., by the employer.

Clause 27.—The clause provides for the appointment of Inspectors and the powers exercisable by Inspectors.

Clause 28.—The clause provides for penalty for contravention of any of the provisions of the Act or the rules made thereunder or for non-compliance with any direction or requisition made under the Act.

Clause 32.—The clause makes the Act inapplicable to the classes of employees specified in sub-clauses (*i*) to (*x*) . The clause is based on the recommendations of the Commission contained in paragraphs 4.6; 15.20 ; 17.9 ; 17.16 ; 17.19 ; and 17.22 of its report. Institutions like the Reserve Bank of India, Industrial Finance Corporation, etc., have also been specifically excluded from the scope of the Act.

Clause 33.—The clause makes the provisions of the Act applicable to certain pending disputes relating to bonus with respect to any accounting year ending on any day in the year 1962 and subsequent accounting years. Such disputes shall be decided in accordance with the provisions of the Act.

Clause 34.—In certain establishments, the employees are getting bonus under an award, agreement, settlement or contract of service which would be higher than that payable under the Act. The clause seeks to safeguard the interest of such employees by providing that they would get bonus either on the existing basis or on the basis of the formula provided in the Act, whichever is higher.

Provision has also been made in the clause enabling the employer and the employees to enter into an agreement with regard to the payment of bonus under a formula which is different from that under the Act.

Clause 36.—The clause empowers the appropriate Government to exempt for a specified period any establishment or class of establishments from all or any of the provisions of the Act, if having regard to the financial position and other relevant circumstances of the establishment or class of establishments, the appropriate Government is satisfied that such exemption is necessary in public interest.

The First Schedule and the Second Schedule.—The First Schedule provides for the manner in which the gross profits of an employer, being a banking company, shall be calculated and the Second Schedule provides for the manner in which the gross profits of any other employer shall be calculated. These Schedules generally follow the *pro forma* suggested by the Commission in paragraph 8.10 of its report.

The Third Schedule.—This Schedule has reference to sub-clause (*d*) of clause 6. The sums deductible as prior charges under the Schedule are generally on the lines suggested by the Commission with respect to the various categories of employers (*vide* paragraphs 11.7 ; 11.8 ; 11.13 ; 11.17 ; 11.18 ; 15.11 and 17.5 of the report of the Commission).

The Fourth Schedule.—This Schedule follows the illustration given by the Commission in paragraph 12.13 of its report.

FINANCIAL MEMORANDUM

Under clause 22 of the Bill, any dispute arising between an employer and his employees with respect to the payment of bonus under the Act or with respect to the application of the Act to an establishment in public sector shall be deemed to be an industrial dispute and the provisions of the Industrial Disputes Act, 1947, or of any corresponding law relating to investigation and settlement of industrial disputes in force in a State shall apply to such dispute. Clause 27 of the Bill provides for the appointment of Inspectors. The work connected with the handling of disputes and inspections, in so far as it relates to establishments in respect of which the Central Government is the appropriate Government, is proposed to be entrusted to the Industrial Tribunals already set up under the Industrial Disputes Act, 1947, and the existing staff of Chief Labour Commissioners' Organisation. It is difficult at present to assess precisely the additional work-load that may be involved. The position will be reviewed in the light of the actual working of the Act when a more realistic idea of the additional work-load would be available. The Bill is not likely to involve any appreciable additional expenditure in the near future.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 38 of the Bill empowers the Central Government to make rules for carrying into effect the provisions of the Act. The matters in respect of which such rules may be made or specified in that clause. They, *inter alia*, relate to the authority for granting permission for changing the accounting year ; the preparation and maintenance of registers, records and other documents,; and the powers of Inspectors. These are matters of administrative procedure and detail. The delegation of legislative power is thus of a normal character.

CORRIGENDA

In the Gazette of India Extraordinary, Part II—Section 2—

1. No. 5, dated the 23rd February, 1965 :—

Page 84, line 20, *for* 'active' *read* 'activate'.

No. 7, dated the 27th February, 1965 :—

(i) Page 123, line 35, *for* "21 (2),' *read* '24 (2),' ;

(ii) Page 155, line 32, marginal reference, *for* '1 of 1922 *read* '11 of 1922.' ;

(iii) Page 165, line 2, *after* 'essential' *insert* 'for' ;

(iv) Page 189, line 7, *after* 'In the case of ' *insert* 'a' ; and

(v) Page 194, line 35, *after* 'whereon' *insert* 'is'.

No. 12, dated the 12th March 1965 :—

Page 278, line 40, *for* '1,364,47,17,000' *read* '1,364,47,87,000'.

4. No. 16, dated the 25th March 1965 :—

(i) Page 302, line 19, *for* 'Ministry of La' *read* 'Ministry of Law' ; and

(ii) Page 304, line 33, *for* '14,05,33,040' *read* '14,05,33,000'.

5. No. 25, dated the 1st may, 1965 :—

Page 387, line 47, *after* 'Capital Outlay' *insert* 'of the'

6. No. 28, dated the 10th May, 1965 :—

Page 423, against line 9, *insert* '8 of 1965'. as marginal reference.

S. L. SHAKDHER,
Secretary,

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION

(LAW DEPARTMENT)

No. LAW 70 LCA 65, Bangalore, dated 22nd September 1965
(Bhadrapada 31, Saka Era 1887)

Ordered that the Hindu Religious Endowments Bill, 1965 (Central Bill No. 47 of 1965), which has been published in the *Gazette of India,* Extraordinary, Part II, Section 1, dated the 16th August 1965, be republished in the *Mysore Gazette,* for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
Under Secretary to Government I/c.,
Law Department.

14

LOK SABHA

The following Bills were introduced in Lok Sabha on the 16th August, 1965:—

BILL NO. 47 OF 1965

A Bill to provide for the better supervision and more effective administration of Hindu public religious endowments and for matters connected therewith.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. *Short title, extent and commencement.*—(1) This Act may be called the Hindu Religious Endowments Act, 1965.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) This section shall come into force at once, sections 3 to 13 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint; and the rest of this Act shall come into force in a State on such date as the State Government may, by notification in the Official Gazette, appoint and different dates may be appointed by the State Government for different provisions thereof.

2. *Definitions and interpretation.*—(1) In this Act, unless the context otherwise requires,—

(*a*) "commencement of this Act", in relation to any provision of this Act, means the date of the coming into force of that provision;

(*b*) "Commissioner" means the Commissioner of Hindu Religious Endowments appointed under sub-section (1) of section 5 and includes a Deputy Commissioner and an Assistant Commissioner appointed under sub-section (2) of that section while exercising the powers and discharging the functions of the Commissioner in accordance with the provisions of that sub-section;

(*c*) "Council" means the Central Religious Endowments Council constituted under section 8;

(*d*) "manager" in relation to a religious endowment means a person who either alone or in association with any other person administers, manages or otherwise deals with the endowment;

(*e*) "math" means a Hindu religious institution with properties attached thereto and presided over by a person, the succession to whose office is regulated by rules of succession laid down by the founder or by practices, usages or customs of the math relating to such succession and—

(i) whose principal duty is to engage himself in the teaching and propagation of Hindu religion and philosophy and the teachings and philosophy of the denomination, sect or *sampradaya* to which the math belongs and in imparting religious instruction and training and rendering spiritual service to a body of disciples ; or

(ii) who exercises or claims to exercise headship over a body of disciples,

and includes any place or places of religious worship, instruction or training which are appurtenant thereto ;

(*f*) "person interested" means,—

(i) in the case of a math, the founder of the math or any descendant of such founder or a disciple of the math or a person belonging to the denomination, sect or *sampradaya* to which the math belongs ;

(ii) in the case of a temple, the founder of the temple or any descendant of such founder or any person who is entitled to attend or is in the habit of attending the performance of worship or service in the temple or who is entitled to partake or is in the habit of partaking in the benefit of the distribution of gifts and offerings thereat ;

(iii) in the case of a specific endowment, a person who is entitled to attend, or is in the habit of attending, the performance of the specific service or charity for which the specific endowment has been created or who is entitled to partake, or is in the habit of partaking, in the benefit of such service or charity ;

and includes the trustee of a math or temple ;

(*g*) "prescribed" means prescribed by rules made under this Act ;

(*h*) "priest" includes a shebait by whatever name called (where such shebait performs or conducts any *archana, puja* or ritual), an *archaka*, a *pujari* and a *panda ;*

(*i*) "public temple" means any place by whatever designation known (whether or not the image of any deity or images of deities is or are installed and consecrated therein), which is used, whether—

(i) by virtue of any dedication to or for the benefit of the Hindu community or any section thereof, or

(ii) by virtue of any practice, usage, custom or otherwise,

by the members of the said community or section as a place of public religious worship, prayer or other religious service;

Explanation.—A temple which is located and maintained in a private dwelling house shall be deemed to be a public temple if—

(*a*) the members of the Hindu community or any section thereof have, by virtue of any practice, usuage, custom or otherwise, unrestricted access thereto for the purpose of religious worship, prayer or other religious service, and

(*b*) gifts and offerings are received by the trustees or priests of the temple from such members at the time of or in connection with such worship, prayer or other religious service or on the occasion of any *utsava* or festival or the like;

(*j*) "religious endowment" or "endowment" means a math or a public temple and all property belonging to or given or endowed for the support of such math or temple, or given or endowed for the performance of any service or charity of a public nature connected therewith and includes the premises thereof but does not include any gifts of property or any offerings made as personal gifts to a trustee, priest, service-holder or other employee of such math or temple;

(*k*) "specific endowment" means any property or money endowed for the performance of any specific service charity in a math or temple;

(*l*) "Tribunal" means the Religious Endowments Tribunal constituted under section 10;

(*m*) "trustee" means any person whether known as *methadhipathi*, *mohant*, *dharmakarta* or *shebait* or by any other name, in whom either alone or in association with any other person, the administration and management of a religious endowment or specific endowment are vested and includes a manager.

(2) Unless the subject or context otherwise requires, in this Act—

(*a*) any reference to the word "Hindu" shall be constructed as including a reference to the word "Buddhist"; and

(*b*) any reference to a "religious endowment", "endowment" "math" or "temple" shall be construed as including a reference to a Buddhist religious endowment, endowment, math or temple.

3. *Application of Act to Hindu public religious endowments.*—This Act applies to all Hindu public religious endowments, that is to say, to all maths and all public temples.

CHAPTER II

AUTHORITIES

4. *Enumeration of authorities.*—For better supervision and more effective administration of Hindu public religious endowments, there shall be the following authorities charged with such powers and functions as are respectively conferred on them by or under this Act, namely:—

(*a*) the Commissioner;

(*b*) the Central Religious Endowments Council;

(*c*) the Religious Endowments Tribunal;

(*d*) such other authority or authorities as the State Government may, by notification in the Official Gazette, appoint to aid and advise the Commissioner in the exercise of his powers and the discharge of his functions.

5. *Appointment of Commissioner.*—(1) The State Government shall, by notification in the Official Gazette, appoint a person to be the Commissioner of Hindu Religious Endowments for exercising the powers and discharging the functions conferred on him by or under this Act.

(2) The State Government may, by like notification, appoint as many Deputy Commissioners and Assistant Commissioners as it thinks fit, and every such Deputy Commissioner or Assistant Commissioner shall, subject to the general Superintendence and control of the Commissioner, exercise such of the powers and discharge such of the functions of the Commissioner and within such local limits as the Commissioner may, by general or special order, specify.

(3) A person shall not be qualified for appointment as Commissioner unless he—

(*a*) has for at least ten years held a judicial office in the territory of India ; or

(*b*) has for at least ten years been an advocate of a High Court or two or more High Courts in succession.

(4) A person shall not be qualified for appointment as a Deputy Commissioner or an Assistant Commissioner unless he—

(*a*) has for at least seven years held a judicial office in the teritory of India ; or

(*b*) has for at least seven years been an advocate of a High Court or of two or more High Courts in succession.

6. *Tenure of office and conditions of service of Commissioner, etc., and casual vacancies.*—(1) The tenure of office of the Commissioner, a Deputy Commissioner and an Assistant Commissioner, their salaries and allowances and other conditions of service shall be such as may be prescribed.

(2) Any vacancy in the office of the Commissioner, a Deputy Commissioner or an Assistant Commissioner occurring by reason of death, resignation, removal or otherwise shall be filled in accordance with the rules made under this Act.

7. *General powers and functions of Commissioner.*—(1) Subject to the provisions of this Act, the Commissioner may do all such acts and things as are in his opinion reasonable or necessary to ensure that all Hindu public religious endowments within the local limits of his jurisdiction are properly administered and managed and the income thereof is duly appropriated and applied to the objects for which such endowments were founded or for which they exist, so far as such objects can be ascertained.

(2) Without prejudice to the generality of the provisions of sub-section (1), the Commissioner shall also exercise all the powers and discharge all the functions specifically conferred on him by or under this Act or by or under any other law for the time being in force.

8. *Central Religious Endowments Council.*—(1) The Central Government shall, by notification in the Official Gazette, constitute for the purposes of this Act a Council to be known as the Central Religious Endowments Council.

(2) The Council shall consist of—

(*a*) such number of members not exceeding fifteen as the Central Government may think fit, to be nominated by that Government from among persons who are in its opinion capable of representing—

(i) the Central Government;
(ii) the Union territory administrations;
(iii) the *sadhus* and *sanyasis*;
(iv) the Hindu public religious endowments; and
(v) such other interests which in the opinion of the Central Government ought to be represented on the Council;

(*b*) one representative of each State Government to be nominated by that Government.

(3) The Chairman of the Council shall be appointed by the Central Government from among the members nominated under clause (*a*) of sub-section (2).

(4) The Chairman and other members of the Council shall receive such remuneration, if any, and shall be governed by such conditions of service, as the Central Government may determine.

(5) All expenses incurred in connection with the Council shall be defrayed out of the contributions referred to in section 58 in accordance with such directions as may be issued by the Central Government in this behalf.

(6) Any vacancy occurring in the Council shall be filled as soon as may be by nomination as provided in sub-section (2).

(7) The Council shall have power—

(*a*) to regulate its procedure and conduct of business ; and

(*b*) to constitute committees and sub-committees, if any, of its members and to delegate to each of them such of its functions as it thinks fit.

(8) The Council shall have power to act notwithstanding any vacancy therein.

9. *Functions of the Council.*—The Council shall discharge such functions as may be conferred on it by or under this Act.

10. *Religious Endowments Tribunal.*—(1) The Central Government shall, by notification in the Official Gazette, constitute a Tribunal to be known as the Religious Endowments Tribunal.

(2) The Tribunal shall consist of such number of members as the Central Government may think fit, to be

appointed by that Government after consultation with the Council.

(3) A person shall not be qualified for appointment as a member of the Tribunal unless he is a Hindu and—

(*a*) has been, or is, or is qualified to be, a judge of a High Court; or

(*b*) having held office for at least ten years under the Government, has in the opinion of the Central Government, adequate knowledge of, and experience in, matters of administration and finance; or

(*c*) has, in the opinion of the Central Government, special knowledge of Hindu scriptures, philosophy, religion and religious practices and experience of the working and administration of Hindu public religious endowments.

(4) The Central Government shall appoint a member of the Tribunal having the qualification specified in clause (*a*) of sub-section (3) to be the Chairman of the Tribunal.

(5) The Chairman and other members of the Tribunal shall receive such remuneration and shall be governed by such conditions of service as the Central Government may determine:

Provided that the remuneration of the Chairman or any other member shall not be varied to his disadvantage after his appointment.

(6) The Central Government shall make available to the Tribunal such staff as may be necessary for the discharge of its functions under this Act.

(7) All expenses incurred in connection with the Tribunal shall be defrayed out of the contributions referred to in section 58 in accordance with such directions as may be issued by the Central Government in this behalf.

11. *Functions of the Tribunal.*—The Tribunal shall discharge such adjudicating and other functions as may be conferred on it by or under this Act.

12. *Appointment of assessors.*—(1) The Tribunal may in its discretion discharge any of its functions under this Act with the aid of such number of assessors as it may think fit and for this purpose shall, after consultation with the Council, prepare and maintain a list of assessors.

(2) Every assessor shall be a person fit and suitable to give advice to the Tribunal on matters which come up before the Tribunal for consideration.

13. *Procedure of Tribunal.*—(1) The functions of the Tribunal may be discharged by Benches constituted by the Chairman of the Tribunal from among the members thereof.

(2) Every such Bench shall consist of three members possessing respectively the qualifications specified in clause (*a*), clause (*b*), and clause (*c*) of sub-section (3) of section 10.

(3) If during the course of any proceedings any member of the Tribunal is for any reason unable to discharge his functions or relinquishes his membership of the Tribunal, the Central Government may appoint another member in his place in accordance with the provisions of this Act and upon his joining the Tribunal the proceedings shall be continued as if he had been on the Tribunal from the commencement of the proceedings.

(4) In the case of difference of opinion among the members of a Bench, the opinion of the majority shall prevail and orders of the Bench shall be expressed in terms of the views of the majority.

(5) Decisions and orders of a Bench of the Tribunal shall be deemed to be the decisions and orders of the Tribunal itself.

(6) Subject to the provisions of this Act, the Tribunal shall have power to regulate its own procedure and the procedure of Benches thereof in all matters arising out of the discharge of its functions, including the places at which the Benches shall hold their sittings and while discharging any

adjudicating functions, shall follow the principles of natural justice.

(7) The Tribunal shall, for the purpose of discharging its functions, have all the powers which are vested in the Commissioner by sub-section (2) of section 63; and any proceeding before the Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code (45 of 1860) and for the purpose of section 196 of that Code and the Tribunal shall be deemed to be a civil court for the purposes of section 195 and Chapter XXXV of the Code of Criminal Procedure, 1898 (5 of 1898).

CHAPTER III

REGISTRATION OF HINDU PUBLIC RELIGIOUS ENDOWMENTS

14. *Register of Hindu public religious endowments.*—The Commissioner shall maintain a register of all Hindu public religious endowments in the State in such form and containing such particulars as may be prescribed.

15. *Application for registration of religious endowments.*—(1) The trustee of every Hindu public religious endowment shall make an application to the Commissioner for the registration of the endowment.

(2) Such application shall be made in such form and manner and accompanied by such fee, not exceeding fifty rupees, as may be prescribed and shall, as far as may be, contain the following particulars, namely:—

(*a*) the name or designation by which the religious endowment is or shall be known;

(*b*) the name and address of the trustee and the manager;

(*c*) the mode of succession to the office of trustee;

(*d*) the movable and immovable properties pertaining to the endowment and a description thereof sufficient for their identification;

(*e*) the approximate value of the movable and the immovable properties of the endowment;

(*f*) in the case of a religious endowment existing at the commencement of this Act, a statement of the gross income annually received and of the expenses annually incurred in connection with the religious endowment, during the period of three years immediately preceding such commencement;

(*g*) in the case of a religious endowment created after such commencement, an estimate of the gross income which is likely to be received, and of the expenses which are likely to be incurred, annually, in connection with the religious endowment, during the period of three years immediately following the date of the creation of the endowment;

(*h*) such other particulars as may be prescribed.

(3) Every application shall be accompanied by a copy of the endowment deed or if no such deed has been executed or a copy thereof cannot be obtained, the application shall contain full particulars as far as they are known to the applicant, of the origin, nature and object of the endowment.

(4) Every application shall be signed and verified by the applicant in the manner provided in the Code of Civil Procedure, 1908 (5 of 1908) for the signing and verification of pleadings.

(5) The Commissioner may require the applicant to supply such further particulars or such information relating to the endowment as the Commissioner may deem necessary.

(6) Every application for registration shall be made—

(*a*) in the case of a religious endowment existing at the commencement of this Act, within six months next following such commencement, and

(*b*) in the case of a religious endowment created after such commencement, within six months next following the date of the creation of the endowment.

16. *Inquiries for registration.*—(1) On the receipt of an application under section 15, the Commissioner shall in the prescribed manner make such inquiries as he thinks fit in respect of the application and the correctness of the particulars therein mentioned and may, in addition, make an inquiry in respect of all or any of the following matters, namely :—

(*a*) whether there is an endowment and whether such endowment is a Hindu public religious endowment ;

(*b*) whether any property is the property of such religious endowment ;

(*c*) whether the whole or any substantial portion of the endowed property is situated within the local limits of his jurisdiction ;

(*d*) the origin, nature and object of such endowment ;

(*e*) the gross average annual income and expenditure of such endowment ;

(*f*) any other matter which may be prescribed.

(2) If on an application made to him by a person interested in a religious endowment or otherwise, the Commissioner has reason to believe that there is a religious endowment which should be registered under this Act, he may make such inquiries as he thinks fit in respect of the matters specified in sub-section (2) of section 15 and sub-section (1) of this section ; but no inquiry shall be made without giving the trustee a reasonable opportunity of being heard.

(3) On the completion of an inquiry under this section, the Commissioner shall record his findings with the reasons therefor in respect of the matters inquired into and make an order in relation to the religious endowment.

17. *Entry in register.*—Where an order for registration of a religious endowment is made under section 16, the Commissioner shall cause the entries in respect thereof to be made in the register (maintained by him under section

14) in accordance with the findings recorded under sub-section (3) of section 16.

18. *Amendment of register.*—(1) Where any change occurs in any of the entries made in the register maintained under section 14, the trustee shall, within ninety days from the date of such change, send by post a report to the Commissioner in the prescribed form giving notice of the change.

(2) On the receipt of a report under sub-section (1) or otherwise, the Commissioner may hold an inquiry for ascertaining whether any change has occurred in any of the entries recorded in the register in relation to the religious endowment.

(3) If the Commissioner, after holding such inquiry, is satisfied that a change has occurred in any of the entries made in the register, he may make an order to that effect and shall cause the relevant entry in the register to be amended accordingly.

19. *Special provisions with respect to religious endowments registered under any other law.*—(1) Where any Hindu public religious endowment has been registered in a State before the commencement of this Act under any other law with respect to religious endowments in force in that State, the religious endowment shall, as from such commencement, be deemed to have been registered under this Act.

(2) The Commissioner shall issue a notice by post to the trustee of such endowment for the purpose of making the entries relating thereto in the register maintained under section 14.

(3) The trustee of such religious endowment shall, as far as may be, supply to the Commissioner the particulars referred to in Section 15 within three months from the date of the receipt of the notice referred to in sub-section (2).

(4) The Commissioner may, after such inquiries as he thinks fit, record his findings with reasons therefor in respect of the matters specified in sub-section (2) of section 15 and sub-section (1) of section 16 and make an order in relation to the endowment and the provisions of section 16 and 17 shall, as far as may be, apply to such order.

20. *Furnishing copies of extracts from register.*—(1) The Commissioner may, on application made to him in this behalf, furnish to the applicant copies of any extracts from the register maintained under section 14 on payment of such fee not exceeding one rupee for every one hundred words or fractional part thereof required to be copied, as may be prescribed and subject to such conditions, if any, as may be determined by the Commissioner.

(2) Such copies may be certified in the manner provided in section 76 of the Indian Evidence Act, 1872 (1 of 1872).

21. *Civil courts not to entertain suit on behalf of an unregistered religious endowment.*—(1) No civil court shall entertain a suit for the enforcement of a right on behalf of a Hindu public religious endowment unless such endowment has been, or is deemed to be, registered under this Act.

(2) The provisions of sub-section (1) shall also apply to a claim of set-off or other proceeding to enforce a right on behalf of a Hindu public religious endowment which has not been, or is not deemed to be, registered under this Act.

CHAPTER IV

ADMINISTRATION AND MANAGEMENT OF HINDU PUBLIC RELIGIOUS ENDOWMENTS

22. *Appointment and succession to office of trustee.*—(1) The appointment and succession to the office of a trustee of a Hindu public religious endowment shall be

regulated by the rules, practices, usages or customs of the religious endowment with respect to such appointment or succession.

(2) Neither the head of a Hindu public religious endowment nor any other trustee thereof shall have the power to alter, amend, modify or rescind any such rules, practices, usages or customs except with the permission in writing of the Tribunal.

23. *Hindu Succession Act, 1956, not to apply to succession to office of trustee.*—For the removal of doubts, it is hereby declared that the provisions of the Hindu Succession Act, 1956 (30 of 1956) shall not apply to and in relation to the succession to the office of a trustee of a Hindu public religious endowment.

24. *Disqualifications for trusteeship.*—A person shall be disqualified for being appointed, or succeeding, to the office of a trustee of a Hindu public religious endowment—

(*a*) if he is of unsound mind and stands so declared by a competent court;

(*b*) if he suffers from any such physical disease or defect as renders him unfit or incapable to perform the duties of his office;

(*c*) where a trustee is, by rules, practices usages or customs of the endowment, prohibited from marrying, if he has married;

(*d*) if he lives an immoral, vicious or scandalous life;

(*e*) if he has been convicted of any offence involving moral turpitude;

(*f*) notwithstanding anything contained in the Caste Disabilities Removal Act, 1850 (21 of 1850), if he does not belong to the denomination, sect or *sampradaya* to which the religious endowment belongs.

25. *Removal of trustee.*—A trustee may be removed from his office on the ground that he is, or has become,

subject to any of the disqualifications mentioned in Section 24 or on the ground—

(*a*) that he has neglected or failed to discharge the functions of his office ; or

(*b*) that the affairs of the religious endowment have not been properly managed or have been mismanaged ; or

(*c*) that he is guilty of misappropriation of any endowment property.

26. *Disputes relating to office of trustee to be decided by Tribunal.*—(1) In any of the following cases, that is to say,—

(*a*) when there is any dispute as to the disqualification of a person for being appointed or succeeding to the office of a trustee on any of the grounds specified in section 24 or as to the removal of a trustee under section 25 ; or

(*b*) when the person entitled to succeed to the office of trustee is a minor and has no guardian fit and willing to act as such or when there is a dispute as to the person who is entitled to act as guardian ; or

(*c*) when the trustee entitled to nominate his successor in office is unable or unfit to do so by reason of his removal from office or otherwise ; or

(*d*) when there is no person eligible to become a trustee ; or

(*e*) when there is dispute as to the right of any person to act as, or to succeed to the office of, a trustee, the case shall be referred to the Tribunal for decision.

(2) Every case under sub-section (1) shall be stated in the form of an application which shall be presented to the Tribunal or such officer thereof as it may appoint in this behalf.

(3) Every such application—

(*a*) shall contain a concise statement of the circumstances and materials upon which the person making the application relies in support of his allegation, (*b*) shall be signed and verified in the manner laid down in the Code of Civil Procedure, 1908 (5 of 1908), for the signature and verification of a plaint in a suit.

(4) The Tribunal may, after issuing notice in the prescribed manner to every person who appears to it to be interested in the endowment and holding such inquiry as it thinks fit, make such order in the case (including an order appointing a fit person to be the trustee of the endowment or to discharge the functions of a trustee or to be the guardian of a minor trustee) as it deems fit :

Provided that in appointing a person to the office of a trustee or to discharge the functions of a trustee or to be the guardian of a minor trustee, the Tribunal shall select a person of the denomination, sect or *sampradaya* to which the endowment belongs.

27. *Power of Commissioner to suspend trustee pending order of Tribunal.*—(1) Pending the order of the Tribunal under sub-section (4) of Section 26, the Commissioner may—

(*a*) suspend from office on any of the grounds specified in Section 24 or Section 25, the trustee of a religious endowment if in the opinion of the Commissioner such suspension is immediately necessary in the interests of the endowment ; and

(*b*) appoint a fit person to discharge the functions of the trustee during the period of such suspension.

(2) The Commissioner shall, as soon as possible, report to the Tribunal any action taken by him under sub-section (1).

28. *Trustee to deliver possession of property.*—Where a trustee has been removed from his office by an order of the Tribunal under section 26 or suspended from his office by an order of the Commissioner under section 27, the Tribunal or, as the case may be, the Commissioner shall direct the trustee so removed or suspended to deliver possession of the

endowment property to the person who has succeeded to the office of the trustee by virtue of the order of the Tribunal or who has been appointed by the Tribunal or the Commissioner to discharge the functions of the trustee.

29. *Administration and management of Hindu public religious endowment to vest in trustee.*—Subject to the provisions of this Act, the administration and management of every Hindu public religious endowment shall be vested in the trustee thereof and the trustee shall be responsible for the proper and efficient discharge of his functions in relation to the affairs, religious and secular, of the religious endowment.

30. *Preparation and maintenance of register of Hindu public religious endowments.*—(1) The trustee of every Hindu public religious endowment shall prepare and maintain a register in such form as the Commissioner may direct, showing—

(*a*) the origin and history of the Hindu public religious endowment and the names of past and present trustees and particulars as to the rules, practices, usages or customs regarding the succession to the office of trustee;

(*b*) the particulars relating to the administration and management of the endowment and the scale of expenditure incurred in connection therewith;

(*c*) the names of all offices to which any salary, emolument or perquisite is attached and the nature, time and conditions of service in each case;

(*d*) the jewels, gold, silver, precious stones, vessels and utensils and other morables belonging to the endowment with their weights and estimated values;

(*e*) the particulars of all immovable properties belonging to the endowment and of all title deeds and other documents relating thereto;

(*f*) the particulars of the idols and their images of the endowment, whether intended for worship or for being carried in processions or for any other purpose;

(*g*) the particulars of ancient or historical records relating to the endowment with their contents in brief; and

(*h*) such other particulars as may be required by the Commissioner.

(2) The register shall be verified and signed by the trustee of the religious endowment concerned or by his authorised agent and submitted by him to the Commissioner within three months from the commencement of this Act or, as the case may be, from the date of the creation of the religious endowment or within such further period as may be allowed by the Commissioner.

(3) The Commissioner may, after receiving the register, direct the trustee to make such additions, alterations or omissions in the register as the Commissioner may deem fit.

(4) The trustee shall carry out the orders of the Commissioner and then submit three copies of the register as corrected to the Commissioner for approval.

(5) One copy of the register as aproved by the Commissioner shall be furnished to the trustee.

(6) The trustee or his authorised agent shall scrutinise the entries in the register every year and submit to the Commissioner for his approval asigned and verified statement showing the additions, alterations or omissions required in the register and the provisions of sub-section (3), sub-section (4) and sub-section (5) shall apply in relation to such statement as they apply in relation to the register.

31. *Power of Commissioner in cases of mismanagement.*—(1) Where, on receipt of any report of the auditor in respect of any Hindu public religious endowment or on an application made in this behalf by two or more persons interested in the endowment or otherwise, the Commissioner has reason to believe that the affairs of the endowment are being mismanaged or that the trustee is neglecting or failing to discharge his functions in relation to the endowment in a proper and efficient manner, the Commissioner may, after

issuing notice in the prescribed manner to the trustee and to such other persons as may appear to the Commissioner to be interested in the endowment, hold an inquiry into the matter in such manner as may be prescribed.

(2) If, after holding an inquiry under sub-section (1), the Commissioner is satisfied—

(*a*) that the affairs of the religious endowment are being mismanaged or that the trustee is neglecting or failing to discharge the functions of his office, or

(*b*) that the trustee is guilty of misappropriation of any endowment property,

the Commissioner may, without prejudice to any other action that may be taken against the trustee under any of the foregoing provisions of this Act, make an order giving directons to the trustee for the proper and efficient administration and management of the endowment or for the discharge of the functions of his office, or directing the trustee to pay to the endowment such amount not exceeding the amount of loss caused to the endowment as the Commissioner thinks fit.

32. *Budget of religious endowments.*—The trustee of every Hindu public religious endowment shall prepare before the close of every financial year in such form and within such time as may be prescribed, a budget of the estimated income and expenditure of such endowment for the next financial year and shall forthwith send a copy thereof to the Commissioner:

Provided that nothing in this section shall apply to a religious endowment having an annual income of less than one thousand rupees.

33. *Obligatory expenditure of Hindu public religious endowments.*—The trustee of a Hindu public religious endowment shall, while preparing the budget in accordance

with section 32, make provision for the following objects, namely :—

(*a*) the due maintenance of the objects of the institution and the proper performance of the services therein in conformity with the rules, practices, usages or customs of the endowment ;

(*b*) the payment of the salaries and allowances due to the trustee, priests and other servants of the endowment ;

(*c*) the adequate training of priests, *sadhus, sanyasis, adhyapakas, Vedaparayanikas* and reciters of holy texts ;

(*d*) the repayment of loans binding on the endowment, the repair, renovation or extension of the buildings of the endowment, and the contributions required to be made in pursuance of the provisions of section 44 and section 58 ;

(*e*) the maintenance of a working balance.

34. *Discretionary expenditure of Hindu public religious endowments.*—The trustee of a Hindu public religious endowment may, after making adequate provision for the objects specified in section 33, make provision in the budget of the endowment for all or any of the following objects namely :—

(*a*) the arrangements for providing amenities to *sadhus, sanyasis*, disciples, worshippers, devotees, piligrims and other visitors, that is to say, clean accommodation, good water supply, lighting, sanitation and supply of wholesome food where the custom of *Naivedyam* or *Bhog* obtains ;

(*b*) the grant of aid to any other religious endowment in needy circumstances, of the same denomination, sect or *sampradaya ;*

(*c*) the provision and maintenance of flower gardens and *goshalas ;*

(*d*) the propagation of the tenets of the religious endowment and the fundamentals of Hindu *dharma* common to all denominations, sects or *sampradayas ;*

(*e*) the publication of *agamas* and the history of every endowment ;

(*f*) the provision of libraries with religious and philosophical works and publication of religious literature and making the same available to the members of the public either free of cost or at a cheap price ;

(*g*) the provision for religious discourses ;

(*h*) the grant of scholarships and stipends to Hindu students studying in educational institutions where such students undertake, in adition to their normal studies, the study of Hindu religion and philosophy and offer themselves to be examined as regards their progress in such studies ;

(*i*) the promotion of temple architecture, sculpture and fine arts ;

(*j*) the establishment and maintenance of institutions where secular as well as religious education is imparted ;

(*k*) the establishment and maintenance of colleges or institutions for the study of Hindu religion, philosophy, *Vedas* or the *Shastras* or contributions thereto ;

(*l*) the establishment and maintenance of orphanages for Hindu children ;

(*m*) the establishment and maintenance of asylums for persons suffering from leprosy or any other serious disease ;

(*n*) the establishment and maintenance of poor homes for destitute, helpless and physically disabled persons ; and

(*o*) the establishment and maintenance of hospitals and dispensaries for the benefit of *sadhus, sanyasis,* disciples worshippers, devotees, pilgrims and other visitors.

35. *Power of Commissioner to make alterations or modifications in budget.*—(1) The Commissioner may, after giving notice to the trustee in the prescribed manner and after considering his represenation, if any, make such

alterations or modifications in the budget as the Commissioner thinks fit.

(2) Nothing contained in sub-section (1) shall be deemed to authorise the Commissioner to restrict or prohibit the observance of any religious practice or the performance of any act in pursuance of any religious belief or to alter or modify any budget in a manner or to an extent inconsistent with the provisions of this Act or with the wishes of the founder of the endowment so far as such wishes can be ascertained.

36. *Utilization of accumulated surplus funds of Hindu public religious endowments for the discretionary purposes.*—(1) With the previous sanction of the Commissioner and subject to such conditions and restrictions as may be prescribed, the trustee of a Hindu public religious endowment may appropriate any portion of the accumulalated surplus of such endowment for any of the purposes specified in section 34.

(2) Before giving sanction under sub-section (1), the Commissioner shall publish the particulars relating to the proposal of the trustee in such manner as may be prescribed, invite objections and suggestions with respect thereto and consider all the objections and suggestions received.

(3) The sanction aforesaid shall be published in such manner as may be prescribed.

37. *Power of Commissioner to settle schemes for proper administration of Hindu public religious endowments.*—(1) Where on an application made in this behalf by two or more persons interested in a Hindu public religious endowment or otherwise, the Commissioner is of the opinion that in the interest of the proper administration and management of the endowment, a scheme should be settled for it, the Commissioner may, after issuing notice in the prescribed manner to the trustee of the endowment and to such other persons as may appear to the Commissioner to be

interested therein, hold an inquiry into the matter in the prescribed manner and if, after such inquiry into the Commissioner is.satisfied that it is necessary or desirable so to do, he may, by order, settle a scheme for the proper administration of the religious endowment.

(2) The Commissioner may also, in like manner and subject to like conditions, modify any scheme settled under this section or under any other law or substitute another scheme in its stead.

(3) No scheme settled, modified or substituted under this section shall be contrary to the wishes of the founder of the religious endowment so far as such wishes can be ascertained or to the religion to which such endowment belongs.

38. *Application of property cy pres.*—(1) Where from any application made to him by two or more persons interested in a Hindu public religious endowment or a specific endowment or otherwise, it appears to the Commissioner that,—

(*a*) the original objects, in whole or in part, of the endowment or specific endowment—

(i) have been fulfilled as far as may be; or

(ii) either cannot be carried out at all or cannot be carried out according to the directions and wishes of the founder or according to the spirit or the endowment or specific endowment; or

(*b*) the original objects provide a use for part only of the property or income of the endowment or specific endowment; or

(*c*) the property and income of the endowment or specific endowment and any other property applicable to objects similar to the original objects of the endowment or the specific endowment can be more effectively used in conjunction and to that end can suitably be made applicable to common objects regard being had to the directions and wishes of the founder or the spirit of the endowment or the specific endowment; or

(*d*) the original objects were laid down by reference to an area, or a class of persons, which has for any reason ceased to be suitable, regard being had to the directions and wishes of the founder or the spirit of the endowment or the specific endowment, or to be practical in administering the endowment of the specific endowment; or

(*e*) the original objects, in whole or in part, have, since they were laid down,—

(i) been adequately provided for by other means; or

(ii) ceased as being useless or harmful to public order, morality or health, to be in law religious or charitable objects; or

(iii) ceased in any other way to provide a suitable and effective method of using the property and income of the endowment or specific endowment, regard being had to the directions and wishes of the founder and the spirit of the endowment or the specific endowment,

the Commissioner may, after issuing notice in the prescribed manner to the trustees of the endowment and to such other persons as may appear to him to be interested therein, hold an inquiry into the matter and if after such inquiry the Commissioner is satisfied that it is necessary so to do, he may, by order, direct that the property and income of the endowment or the specific endowment or so much thereof as he deems fit shall be applied, subject to such conditions, if any, as may be specified in the order, to any other objects which shall be similar, or as nearly as practicable, similar to the original objects or if in the opinion of the Commissioner it is not possible to determine which other objects are similar or as nearly as practicable, similar, to the original objects, to any one or more of the objects specified in Section 34.

(2) In making an order under this section in relation to an endowment or specific endowment, the Commissioner

shall have, as far as may be, due regard to the directions and wishes of the founder or the spirit of the endowment or specific endowment and also to the wishes of the trustees and persons interested in the endowment or specific endowment and no order shall be made directing the application of the property or income of the endowment or specific endowment to any purpose other than a purpose which is recognised by Hindu religion or by the denomination, sect or *sampradaya*, thereof to which the endowment or specific endowment belongs, as a religious, pious or charitable purpose.

39. *Investment of endowment money.*—(1) Where the whole or any portion of the property of a Hindu public religious endowment or of a specific endowment consists of money which cannot be applied immediately or at an early date to the objects to which such money can be applied under this Act or where there is a surplus in the funds of a Hindu public religious endowment or of a specific endowment after meeting all lawful expenditure in connection therewith, the trustee shall, except as otherwise provided in this Act, invest, subject to the directions, if any, contained in the deed of endowment, such money or surplus in the following securities and no others, namely :—

(*a*) securities of the Central Government or a State Government ;

(*b*) stocks, shares or debentures of companies, the interest or dividend on which has been guaranteed by the Central Government or any State Government ;

(*c*) debentures or other securities for money issued by or on behalf of any local authority or corporation in exercise of the powers conferred by any Central Act or any Provincial or State Act :

Provided that the Commissioner may, by general or special order, permit the trustee to invest the money or the surplus in any other manner consistent with the endowment deed and the objects to which such money or surplus may be applied under this Act.

(2) Nothing in sub-section (1) shall affect any investment made before the commencement of this Act.

40. *Alienation of immovable property.*—(1) No transfer by a trustee of any property belonging to a Hindu public religious endowment by way of sale, mortgage, exchange or gift or by way of lease, the term or in the case of a renewable lease, the aggregate term of which exceeds three years, shall be valid unless it is made with the previous sanction of the Commissioner:

Provided that no such sanction shall be given unless the Commissioner is of the opinion that the transfer is necessary in the interests of the endowment.

(2) Where any transfer of property is made in contravention of sub-section (1), the provisions of Section 10 of the Limitation Act, 1963, (36 of 1963) shall apply notwithstanding that such transfer is a transfer for valuable consideration.

41. Archana *or* puja *by unqualified priest not to be allowed in Hindu Public religious endowment.*—(1) No trustee of a Hindu public religious endowment shall, after the expiry of two years from the commencement of this Act, allow any person to officiate as a priest unless such person possesses, subject to such suitable modifications in view of local conditions as may be authorised by the Commissioner, the following qualifications, namely:—

(*a*) a working knowledge of Sanskrit;

(*b*) a good knowledge of the *mantras*, *agamas* and other relevant *Shastras,* rituals and mode of worship as required by the tenets of denomination, sect or *sampradaya* concerned thereof;

(*c*) a knowledge of the *Sthalapurana* and traditions of the endowment to which he is, or may be, attached;

(*d*) proficiency in the regional language or languages so as to enable him to explain with facility the meaning and significance of the *mantras*, *archanas* and *pujas* to worshippers, devotees, pilgrims or other visitors; and

(*e*) a good moral character and basic learning so as to inspire reverence in the worshippers devotees, pilgrims and other visitors.

(2) A trustee who contravenes the provisions of this section shall be punishable with fine which may extend to five hundred rupees.

42. *Unqualified hereditary priests to be required to appoint qualified deputies to perform* archana *and* puja.—(1) If any hereditary priest does not possess the qualifications specified in Section 41, he shall appoint a deputy who possesses those qualifications for performing *archana* and *puja* and such deputy shall perform *archana* and *puja* until the hereditary priest or his rescendent acquires the qualifications so specified.

(2) In the matter of appointment of a deputy under this section preference should be given to a qualified person who has a hereditary right to perform *archana* or *puja.*

43. *State Governments to set up schools for training of priests.*—(1) In order to provide facilities to priests to acquire the qualifications specified in Section 41, the State Government shall set up in one or more important Hindu religious centres within the State, schools or institutions for giving training to priests in the *Shastras* and *agamas, archana* and *pujapaddhati* and other rituals in accordance with the prescribed syllabus.

(2) The syllabus referred to in sub-section (1) shall make provision for both elementary and advanced training.

(3) The syllabus for elementary training may provide for—

(*a*) a working knowledge of Sanskrit;

(*b*) a knowledge of the *Shastras* and *agamas, mantras,* rituals and mode of worship of the respective denominations, sects or *sampradayas* to which the priests belong;

(*c*) a knowledge of the *Sthalapurana* and traditions of the institution to which they are or may be attached ;

(*d*) a good working knowledge of the regional language or languages so as to enable them to explain with facility the meaning and significance of the *mantras*, *archanas* and *pujas* to worshippers, devotees, pilgrims and other visitors.

(4) The syllabus for advanced training shall, in addition to the matters specified in sub-section (3), provide for the study of selected *Shastras* and the *Darshanas* or Philosophies of Hinduism in general with particular emphasis on the tenets of the denominations, sects or *sampradayas* to which the priests belong.

(5) The school or institution shall after the completion of the training, elementary and advanced, hold examinations and grant certificates to the successful candidates both in respect of elementary training and advanced training.

(6) The school or institution shall also provide for courses of training for the priests who are already serving in Hindu public religious endowments and the provisions of sub-sections (2) to (5) shall apply to the priests who join such courses of training.

(7) The school or institution may also provide for refresher courses for the priests holding certificates granted by it.

(8) The school or institution may also make provision for part-time training for such Hindu students studying in secular schools or institutions as may volunteer for such training during their spare time.

(9) The school or institution may initiate and maintain a system of award of stipends to students who are undergoing training therein, preference being given as far as possible to the students from the families of hereditary priests.

44. *Contributions by Hindu public religious endowments towards expenses of schools or institutions.*—Every Hindu public religious endowment shall contribute such percentage of its surplus funds not exceeding five per cent. thereof as may be specified in each case or class of cases by the Commissioner with the approval of the State Government for the purpose of meeting the expenses of the school or institution referred to in Section 43 and the expenses, if any, incurred in connection with the payment of salaries and allowances to the priests and such expenses shall be met from the contributions so received :

Provided that no contributions made by any Hindu public religious endowment belonging to any denomination, sect or *sampradaya,* shall be utilized for meeting the expenses of any school or institution of, or the expenses incurred in connection with the payment of salaries and allowances to priests attached to and serving in, Hindu public religious endowments belonging to a different denomination, sect or *sampradaya.*

45. *Priests not to have any proprietary right to any offerings and jewels, etc.*—Notwithstanding anything in any rules, practices, usages or customs of a Hindu public religious endowment, no priest attached to or serving in such endowment shall, on and after the commencement of this Act, have any proprietary right to any part of the offerings made before the deity installed therein, nor shall he enjoy any right of custody of the jewels and other valuable articles belonging to the endowment :

Provided that a priest shall have a proprietary right to any gift which is specifically made to him and not for the benefit of the endowment, by any worshipper, devotee, pilgrim or other visitor.

46. *Code of conduct for priests.*—The Commissioner shall, after consultation with the Council, prepare a code of conduct for the priests and different codes may be prepared in relation to different classes or categories of priests.

47. *Scale of fees to be paid by worshippers and other visitors.*—(1) The State Government, after consultation with the Council, shall, by rule made in this behalf, specify a regulated scale of fees which may be paid to a priest by worshippers, devotees, pilgrims or other visitors at a temple for services connected with *abhishek, archana, puja, utsava* and the like.

(2) The trustee of every Hindu public religious endowment shall publish the scale of fees so specified, in such manner as may be prescribed and also exhibit such scale of fees in one or more conspicuous parts of the endowment.

(3) The trustee shall supply to every priest, printed receipt books (duly certified by the trustee) in such form as may be prescribed and the priest shall grant receipts from such receipt books to the worshippers, devotees, pilgrims or other visitors for the amounts paid by them.

(4) The Commissioner may, after giving reasonable opportunity of being heard to a priest who obtains payment of fees at a rate higher than the specified rates or who omits to grant receipts for the amounts paid to him, prohibit him either absolutely or for a limited period from officiating as a priest in any Hindu public religious endowment in the State.

48. *Salaries and other conditions of service of* archakas *and* pujaries.—(1) Every *archaka* or *pujari* attached to or serving in a Hindu public religious endowment shall receive such salary and dearness and other allowances as may be prescribed so, however, that the salary paid to an *archaka* or *pujari* shall in no case be less than rupees sixty per month and the dearness and other allowances paid to an *archaka* or a *pujari* shall not be less than those admissible to persons serving in connection with the affairs of the State in the corresponding grades.

(2) Where the income of a Hindu public religious endowment is not sufficient to meet the expenditure to be incurred on account of the salaries and allowances referred to in sub-section (1), such salaries and allowances or any

portion thereof may be paid out of the contributions referred to in section 44.

(3) Other conditions of service of *archakas* and *pujaris* attached to and serving in a Hindu public religious endowment shall be specified by rules made by the State Government in this behalf and such rules may provide for the following among other matters, namely :—

(*a*) the pension and provident funds for *archakas* and *pujaris ;*

(*b*) the punishment by way of fine, suspension or removal from office for misconduct or negligence of duty, disobedience to the directions of the trustee or other authorities concerned with the administration and management of the endowment ;

(*c*) the appeal against any such punishment and the authority to whom such appeal shall be preferred ;

(*d*) any other matter which is by the State Government considered necessary for regulating the conditions of service of *archakas* and *pujaris.*

(4) The trustee of every Hindu public religious endowment shall make endavour to provide free residence to every *archaka* or *pujari* attached to and serving in the endowment.

49. *Licensing of* pandas.—(1) After the expiry of two years from the commencement of this Act, no trustee of a Hindu public religious endowment shall allow any person to act, and no person shall act, as a *panda* unless such person—

(*a*) possesses the qualifications specified under section 41 to perform any religious or other services for worshippers, devotees, pilgrims or other visitors ; and

(*b*) has obtained from the Commissioner a licence granted in accordance with the provisions of this section and the rules made under this Act.

(2) Every person desiring to obtain a licence referred to in sub-section (1) shall make an application in writing to the Commissioner in such form and manner as may be prescribed.

(3) On the receipt of such application, the Commissioner, after such inquiry, if any, as he considers necessary, shall, by order in writing, either grant or refuse to grant the licence.

(4) Where the Commissioner refuses to grant a licence he shall record a brief statement of the reasons for such refusal and furnish a copy thereof to the applicant.

(5) The fees on payment of which, the period for which, the conditions subject to which and the form in which a licence may be granted shall be such as may be prescribed.

(6) The Commissioner may, after giving the holder of a licence a reasonable opportunity of being heard, suspend or cancel the licence on the following, or any one of the following grounds namely:—

(a) that there has been a breach of any of the conditions subject to which the licence has been granted;

(b) that the holder of the licence has acted as a *panda* in contravention of the provisions of this Act.

(7) Whenever a licence is suspended or cancelled, the licensing authority shall record a brief statement of the reasons for such suspension or cancellation and furnish a copy thereof to the person whose licence has been suspended or cancelled.

(8) A licence granted under this section shall, unless cancelled earlier, continue in force for such period from the date on which it is granted as may be prescribed.

(9) Every licence shall, unless the Commissioner for reasons to be recorded in writing otherwise decides in any case, be renewable for the same period for which the licence

was originally granted and shall be so renewable from time to time and the foregoing provisions of this section shall apply to the renewal of a licence as they apply to the grant thereof.

50. *Other provisions relating to* pandas.—(1) The trustee of every Hindu public religious endowment shall maintain a register in which the name and other prescribed particulars of every licensed *panda* shall be entered.

(2) Every licensed *panda* shall on demand show his licence to every worshipper, devotee, pilgrim or other visitor at a Hindu public religious endowment.

(3) The State Government shall, after consultation with the Council and the Commissioner lay down the scale of maximum and minimum charges for the various services rendered by the *pandas* at the various Hindu public religious endowments within the State and different scales of charges may be specified for different Hindu public religious endowments or for different classes thereof.

(4) The scale of charges specified under sub-section (3) for very Hindu public religious endowment shall be prominently displayed in one or more than one conspicuous place in that endowment.

(5) Any *panda* who takes more than the maximum charges from a worshipper, devotee, pilgrim or other visitor at the endowment or harasses in any way such worshipper, devotee, pilgrim or other visitor, may be suspended or dismissed by the trustee from the service and the licence granted to such *panda* may also be cancelled.

(6) The trustees of Hindu public religious endowments in important Hindu religious centres shall encourage the *pandas* to organise themselves to act as qualified guides to worshippers, devotees, pilgrims or other visitors who visit those endowments and shall make suitable arrangements for providing a short course of training to the *pandas* for this purpose.

(7) A trustee who contravenes the provisions of this Section shall be punishable with fine which may extend to two hundred rupees.

51. *Common Good Fund.*—(1) It shall be lawful for the Commissioner to create a fund to be called the Hindu Public Religious Endowments Common Good Fund, hereinafter referred to as the Fund, out of the contributions voluntarily made by the Hindu public religious endowments within the State from their surplus funds or by any person, for the renovation and preservation of such endowments, and the buildings and paintings requiring such renovation and preservation and for the promotion and propagation of the tenets common to all or any class of such endowments.

(2) The Fund shall be administered by the Commissioner in such manner as may be prescribed.

52. *Accounts of* padakanikas.—(1) The trustee and the priest of every Hindu public religious endowment shall keep accounts of *pranamis* or *padakanikas*, that is to say, any gift of property or money made to such trustee or priest in his capacity as the head of the endowment or such priest, in such form as may be prescribed.

Explanation.—Any gift of property or money made to a trustee or priest which is not specifically designated as a personal gift to such trustee or priest shall be deemed to have been made to him in his capacity as the head, or as the case may be, the priest of the endowment.

(2) The trustee or the priest shall be entitled to spend the *pranamis* or the *padakanikas* referred to in sub-section (1) in accordance with the rules, practices, usages or customs of the endowment concerned.

(3) Any *pranami* or *padakanika* which is not spent by the trustee or the priest during the tenure of his office in accordance with such rules, practices, usages or customs shall after the termination of such tenure, form part of the property of the endowment.

53. *Maintenance of accounts.*—(1) The trustee of every Hindu public religious endowment shall keep accounts in such form and containing such particulars as may be prescribed.

(2) The accounts kept under sub-section (1) shall be balanced in each financial year on the 31st day of March or such other date as may be fixed by the Commissioner in the case of any particular endowment having regard to the circumstances thereof.

(3) For the purpose of ensuring the proper keeping of accounts of any Hindu public religious endowment, the trustee—

(*a*) shall, where the annual income of the endowment is ten thousand rupees or more, appoint, after consultation with the Commissioner, a suitable person to be a full-time accountant of the endowment ; and

(*b*) may, in any other case, appoint, after such consultation, a suitable person to be a full-time or part-time accountant.

54. *Audit of Accounts.*—(1) The accounts of every Hindu public religious endowment (including the accounts of *pranamis* and *padakanikas* referred to in section 52) having an annual income of not less than five thousand rupees shall be audited annually by an auditor to be appointed by the Commissioner after consultation with the trustee, from among such chartered accountants, within the meaning of the Chartered Accountants Act, 1949 (38 of 1949), as have been approved in this behalf by the State Government: and the accounts of every Hindu public religious endowment having an annual income of less than five thousand rupees, but not less than one thousand rupees, shall be audited annually by such person as may be appointed by the Commissioner after consultation with the trustee.

(2) The auditor shall have access to the accounts, books, vouchers, documents, papers and other records

relating to such endowment in the possession or control of the trustee and may, by written notice, require the attendance before him of any person responsible for the preparation of the accounts to enable the auditor to obtain such information as he may consider necessary for the proper conduct of the audit.

(3) Within a month of the completion of the audit, the auditor shall prepare a report on the accounts audited and submit the same to the Commissioner and deliver a copy thereof to the trustee concerned.

(4) The auditor shall in his report specify all cases of irregular, improper or illegal expenditure or failure or omission to recover monies or other property belonging to the endowment or of loss or waste of money or other property thereof and state whether such expenditure, failure, omission, loss or waste was caused in consequence of any breach of trust or misapplication of trust property or any other misconduct on the part of the trustee or any other person.

(5) The cost of the audit of accounts shall be borne by the State Government from out of the contributions referred to in section 58.

55. *Inspection and returns.*—(1) The Commissioner, or any officer authorised by him by a general or special order, may—

(*a*) enter into or upon and inspect any endowment property with such assistance as he may consider necessary;

(*b*) call for on inspect any books, papers, records, correspondence, plans, accounts or title-deeds relating to the endowment in the possession or control of the trustee.

(2) If the Commissioner or any officer authorised by him is resisted or obstructed in the exercise of his powers conferred on him by sub-section (1), the magistrate having

jurisdiction shall, on a written request from the Commissioner or such authorised officer, direct any police officer not below the rank of sub-inspector, to render such help as may be necessary to enable the Commissioner or such authorised officer to discharge the functions in exercise of such power.

(3) The Commissioner or any officer authorised by him under sub-section (1) or the police officer referred to in sub-section (2) shall, before entering into or upon any endowment property, give reasonable notice to the trustee and shall have due regard to the rules, practices, usages or customs of the endowment.

(4) Nothing in this section shall be deemed to authorise any person to enter into or upon any part of the endowment property which is a place of worship or is the *garbha-griha* (*sanctum sanctorum*) or is regarded as specially sacred unless such person professes the religion to which the endowment belongs.

56. *Observance of appropriate forms and ceremonies by Commissioner and others in certain cases.*—The Commissioner and every other person exercising powers of superintendence and control under this Act shall not interfere with, and shall, as far as may be, observe, the forms and ceremonies appropriate to the religious endowment in respect of which powers are exercised and in the case of a religious endowment which is a math, act in conformity with the rules, practices, usages or customs of the math in his dealings with the head of the math.

57. *Determination of question as to whether a temple is a Hindu public religious endowment or not or of question as to custom, usage, etc.*—If any question or dispute arises—

(*a*) as to whether a temple is a Hindu public religious endowment or not; or (*b*) as to whether any matter is a matter of religion or any practice is an essential religious practice or not; or

(*c*) as to any matter of basic importance in relation to the administration and management of any Hindu public religious endowment, which in the opinion of the Commissioner requires adjudication or decision by the Tribunal; or

(*d*) as to any rule, practice, usage or custom of any Hindu public religious endowment;

such question or dispute shall be decided by the Tribunal:

Provided that when urgent action is called for, the Commissioner may decide such question or dispute and may in his descretion consult before deciding the question or dispute either the Council or where consultation with the Council is not practicable with reasonable despatch, such persons as he thinks fit, belonging to the denomination, sect or *sampradaya* to which the regilious endowment belongs and possessing in his opinion adequate qualifications making such persons fit for such consultation.

58. *Contributions.*—(1) For purposes of difraying the expenses in connection with the administration of this Act, the trustee of every Hindu public religious endowment, registered or deemed to be registered under this Act, shall pay annually to the State Government in such manner and within such time as may be prescribed, such contributions by way of fees not exceeding three per cent of its gross annual income as the State Government may determine.

(2) If any amount payable as contributions under sub-section (1) is not paid within the time prescribed, it shall be recoverable as an arrear of land revenue.

59. *Trustee to carry out directions of Commissioner and to furnish returns, statistics and accounts.*—(1) The trustee of every Hindu public religious endowment shall

carry out all directions which may be issued to him by the Commissioner under any of the provisions of this Act.

(2) The trustee of every such endowment shall, within such time or such extended time as may be fixed by the Commissioner, furnish to the Commissioner such returns, statistics, accounts or other information as the Commissioner may require.

CHAPTER V

APPEAL AND REFERENCE

60. *Appeals to Tribunal.*—(1) Save as otherwise provided in this Act and unless the context otherwise requires, an appeal shall lie to the Tribunal from every order of the Commissioner made under this Act within a period of sixty days from the date of the making of such order.

Explanation.—For the purposes of this section, the Tribunal shall be deemed to be a court within the meaning of section 5 of the Limitation Act, 1963 (36 of 1963).

(2) The provisions of the Code of Civil Procedure, 1908 (5 of 1908), with respect to appeals from original decrees shall, as far as may be, apply to and in relation to appeals to the Tribunal from the orders of the Commissioner under this section as if such orders were decrees passed by a court exercising original jurisdiction and the Tribunal were a court authorised to hear appeals from the decisions of such courts under that Code.

61. *Finality of orders and decisions.*—The decision of the Tribunal on appeal under this Act and subject only to such decision, the order of the Commissioner from which an appeal lies to the Tribunal under this Act shall be final and conclusive.

62. *Reference of cases to Tribunal by Commissioner.*—(1) If at any time it appears to the Commissioner that a

question of fact or of law relating to any matter dealt with in this Act has arisen or is likely to arise, which is of such a nature and of such public importance that it is necessary or proper to obtain the decision of the Tribunal thereon, the Commissioner may either of his own motion or on the application of any person interested in a Hindu public religious endowment draw up a statement on the question and refer such statement with his own opinion on the question for the decision of the Tribunal.

(2) The Tribunal after hearing the Commissioner and the person on whose application the reference was made and any other person interested in any Hindu public religious endowment who may desire to be heard, shall decide the question so referred setting out the grounds on which such decision is founded and a copy of the decision of the Tribunal shall be transmitted to the Commissioner who shall act, if necessary, according to such decision.

CHAPTER VI

MISCELLANEOUS

63. *Procedure and powers at inquiries.*—(1) Every inquiry made under this Act shall be held, as nearly as may be, in accordance with the procedure applicable under the Code of Civil Procedure, 1908 (5 of 1908), to the trial of suits :

Provided that rules may be made under this Act with respect to the procedure for an inquiry under this Act in so far as the provisions of the Code of Civil Procedure, 1908. are not applicable to such procedure.

(2) The Commissioner shall, for the purpose of making an inquiry under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908), when trying a suit in respect of the following matters, namely :—

(*a*) The summoning and enforcing the attendance of any witness and examining him on oath ;

(*b*) the discovery and production of any document or other material object producible as evidence ;

(*c*) the reception of evidence on affidavits ;

(*d*) the requisitioning of any public record from any court or office ;

(*e*) the issuing of any commission for the examination of witnesses ;

(*f*) any other matter which may be prescribed.

64. *Offences and penalities.*—(1) If any person—

(*a*) fails to apply for the registration of a Hindu public religious endowment within the time specified in sub-section (6) of section 15 ; or

(*b*) resists or obstructs the Commissioner or any officer in the exercise of his power under clause (*a*) or clause (*b*) of sub-section (1) of section 55 ; or

(*c*) furnishes or causes to be furnished to the Commissioner any return, statistics, account or other information which is false and which he either knows or believes to be false or does not believe to be true,

he shall be punishable with fine which may extend to one thousand rupees.

(2) No court shall take cognizance of an offence punishable under this Act except upon a complaint in writing made either by the Commissioner or by a Deputy Commissioner or an Assistant Commissioner specially authorised by the Commissioner by writing in this behalf.

(3) No court inferior to that of a presidency magistrate or a magistrate of the first class shall try an offence punishable under this Act.

65. *Jurisdiction of civil courts barred.*—Notwithstanding anything contained in any other law for the time

Central Government or any State Government or the Commissioner or the Tribunal or any member of the Council or any officer or authority under this Act for anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.

68. *Execution of orders of the Commissioner.*—Any order made under this Act which is capable of execution as a decree or order of a civil court shall, on an application made in this behalf of the Commissioner or any person in whose favour such order is made, be enforced by a civil court within the local limits of whose jurisdiction the endowment property or any portion thereof is situate in the same manner as if such order were a decree passed by such court.

69. *Commissioner, etc., to be public servants.*—The Commissioner and every Deputy and Assistant Commissioner shall be deemed to be public servants within the meaning of section 21 (45 of 1860) of the Indian Penal Code.

70. *Application of Act to endowments governed by special enactments.*—Unless the State Government otherwise directs by notification in the Official Gazette, nothing in this Act shall apply to any Hindu public religious endowment or any class of such endowments, to which any special enactment applies.

71. *Powers to make rules.*—(1) The State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing provision, such rules may provide for all or any of the following matters, namely:—

(*a*) the manner of nomination of members of the Council;

(*b*) the form and manner of making application for the registration of a Hindu public religious endowment and the particulars it may contain and the manner of inquiry for the purpose or registration of a religious endowment;

(*c*) the manner of issue of notice—

(*i*) under sub-section (4) of section 26;

(*ii*) for the settlement of a scheme;

(*iii*) to interested persons before filling any vacancy in the office of trustee;

(*iv*) in any other case where notice is required to be issued;

(*d*) the manner of inquiry—

(*i*) into any case under section 26;

(*ii*) for the settlement of a scheme;

(*iii*) where an endowment is mismanaged;

(*iv*) into any other matter under this Act;

(*e*) the service of notices and orders under this Act;

(*f*) the procedure to be followed by the Commissioner in holding an inquiry under this Act;

(*g*) the form of the register of Hindu pubic religious endowments maintained under section 14 and the particulars it may contain and the form of report notifying any change in the entry in the register;

(*h*) the levy and collection of fees in respect of any application under this Act for the registration of a Hindu public religious endowment and supply of copies of, or extracts from, the register maintained under section 14;

(*i*) the form in which and the time within which the budget in respect of a Hindu public religious endowment may be prepared and the manner of giving notice to the trustee before making any alteration or modification in the budget;

(*j*) the form and manner in which accounts of Hindu public religious endowments may be maintained and the particulars which such accounts may contain;

(*k*) the time at which and the manner in which the accounts may be audited;

(*l*) the form and manner in which any report, return, statistics or other information may be furnished to the Commissioner by any trustee under this Act ;

(*m*) the manner in which and the time within which contributions are to be paid by the trustee of a Hindu public religious endowment ;

(*n*) the conditions of service of priests and the code of conduct to be followed by them ;

(*o*) the syllabus for the training of priests ;

(*p*) the training, and the selection for such training, of *sadhus* and *sanyasis,* the manner of, and syllabus for, such training ;

(*q*) the scales of fees and charges which the worshippers, devotees, pilgrims or other visitors at a Hindu public religious endowment shall pay to the priests for services rendered by them to such worshippers, devotees, pilgrims or other visitors and the manner of publication of the specified scales of fees and charges ;

(*r*) the form of printed receipts which are to be granted by the priests for payments made to them by worshippers, devotees, pilgrims or other visitors and the form in which accounts of *pranamis* or *padakanikas* are to be kept ;

(*s*) the conditions and restrictions subject to which the accumulated surplus of a Hindu public religious endowment may be appropriated by a trustee, the manner of publication of the proposal for the utilisation of such surplus and the manner of publication of the sanction of the Commissioner ;

(*t*) the manner of administration of the Hindu Public Religious Endowments Common Good Fund ;

(*u*) any other matter which is to be or may be prescribed or provided for by rules or with respect to which it is necessary in the opinion of the State Government to make rules.

72. *Power to remove difficulties.*—If any difficulty arises in giving effect to the provisions of this Act, the

Central Government may, by order, as occasion requires, do anything which appears to it to be necessary for the purpose of removing the difficulty.

73. *Cesser of application of corresponding laws and savings.*—(1) On the commencement of any provisions of this Act in any State, any law applicable immediately before such commencement to Hindu public religious endowments in that State and corresponding to those provisions shall cease to apply to such endowments.

(2) Notwithstanding the cesser of application of any such law, anything done or any action taken (including any appointment made, any direction given, any register maintained, any scheme framed, any rule or order made or any restriction or limitation imposed) under such law in relation to Hindu public religious endowments shall, in so far as such thing or action is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the provisions of this Act as if such provisions were in force when such thing was done or taken and shall continue in force accordingly until superseded by anything done or any action taken under this Act.

STATEMENT OF OBJECTS AND REASONS

The Hindu Religious Endowments Commission was appointed on 1st March, 1960, under section 3 of the Commissions of Inquiry Act, 1952, for the puropse of making an inquiry into certain matters connected with Hindu public religious endowments. The Commission submitted its report, containing *inter alia* 114 recommendations to the Government of India on 31st May, 1962. Some of the recommendations relate to general policy and some are of an administrative nature and there are also a few recommendations relating to particular temples and maths. The Commission has emphasized the imperative necessity for undertaking suitable legislation, particularly in States having no legislation governing Hindu relegious endowments, namely, Assam, Punjab, West Bengal and Uttar Pradesh. The Report was laid on the Table of each House of Parliament on 10th August, 1962.

2. As the subject of religious endowments falls in the concurrent field of legislation (entry 28, List III of the Seventh Schedule to the Constitution), the Report was circulated to the State Governments and to the Administrators of Union territories for their views. After considering the comments received from the State Governments and the Administrations of Union territories and the comments sent by various institutions and individuals with reference sto the Report of the Commission, Government have decided to give effect practically to all the principal recommendations of the Commission in so far as they are capable of implementation by legislation. The Bill is intended to give effect to this decision and will extend to the whole of India except Jammu and Kashmir and apply to all Hindu public religious endowments (that is, to all maths and public temples) including Buddhist religious endowments.

3. The notice on clauses explain the sailent features of the Bill.

NEW DELHI ;
The 7th July, 1965.

A. K. SEN.

Notes on clauses

Clause 1.—The Bill when enacted will extend to the whole of India except the State of Jammu and Kashmir because entry 28 of the Concurrent List,—" Charities and charitable institutions, charitable and religious endowments and religious institutions "—has not been extended to the State of Jammu and Kashmir.

Power to bring the Act into force has been given to the State Governments except in respect of clauses 8 to 13 which provide for the Central Council and Central Tribunal. Power in respect of these latter clauses has been given to the Central Government.

Clause 2.—Special attention is drawn to the definitions of " math " " person interested ", priest " " public temple " religious endowment " and " trustee "

Clauses 3 *and* 70.—Clause 3 provides that the Act will apply to all Hindu public religious endowments, that is to say, to all maths (*vide* recommendation No. (6) on page 174 of the Report) and all public temples [*vide* the second paragraph of recommendation No. (4) on page 173]. Hindu public religious endowments will include Buddhist religious endowments also. Jain religious institutions have, however, been excluded from the perview of the Bill. The reasons for such exclusion are several and have been noted in the Report of the Hindu Religious Endowments Commission itself. In the first place, Jain religious institutions are managed by elected bodies and are, by and large, very well run ; " cases of mismanagement are very few. If and when such cases arise, the acharyas, and sadhus and sangh deal with them and set matters right. Public opinion and public pressure are such that the defaulter ordinarily makes good the loss unless his condition is such as to make it impossible for him to do so," (*vide* para 14 of Chapter IX of the Report). In the second place, Jains do not have any mohant in charge of religious institutions in order to do anything corresponding to the shebaits of Hindu temples and as a matter of fact their acharyas do not own any property or accept any offerings (*vide* para 6, *ibid.*). In the third place, hereditary trusteeship is not prevalent among the Jains. Trustees keeps the accounts relating to the endowment and submit them to the Sangh every year (*vide para.* 14, *ibid.*). In the next place, the standard of cleanliness maintained in Jain temples is very high. The Jain community takes a great deal of enlightened interest in the maintenance of their shrines and in the maintenance of a proper and serene religious atmosphere surrounding them. The stupendous activity in the direction of repair, expansion and renovation work connected with these temples some of which are of great architectural beauty.... is such that it is worthy of healthy emulation by Hindu temples and organizations (*vide* para. 35, *ibid.*). All these salutary features noted by the Commission in connection with the management of Jain temples may suffer adversely because of possible interference by the various statutory authorities proposed to be set up in the Bill. Accordingly Jain religious institutions have been excluded from the purview of the Bill.

Under clause 70 unless the State Government otherwise directs, the provisions of the Act will not apply to any Hind public religious endowment if in respect thereof there is any special enactment in force such as the Badrinath and Kedarnath Temples, the Puri Temple, the Tirupathi Temple, the Bodh Gaya Temple, etc.

Clause 4.—The various authorities for the effective administration of Hindu public religious endowments have been mentioned in this clause. The principal authorities will be the Commissioner, the Central Religious Endowments Council and the Religious Endowments Tribunal.

Clauses 5 to 7.—These clauses deal with appointment, conditions of service, powers and functions of the Commissioner and his deputies and assistants [*vide* paragraph 17 on page 124-125 and recommendations Nos. (58) and (59) on page 183 of the Report.]

Clauses 8 *and* 9.—Clause 8 provides for the constitution by the Central Government of a Central Religious Endowments Council representing various interests (including sadhus and sanyasis) and the State Governments [*vide* the last portion of the first paragraph on page 126 and recommendation No. (62) on page 183 of the Report.]

Under clause 9, the Council shall perform such functions as may be conferred on it by the Act and the rules made thereunder. It has been provided throughout the Bill that the Commissioner and the State Government shall in respect of several important matters consult the Council before taking action.

Clauses 10 *and* 13.—Clause 10 provides for the constitution of a Religious Endowments Tribunal on an all-India basis and clause 13 provides for the constitution and procedure of the Tribunal [*vide* paragraphs 20 and 21 on pages 127-28 and recommendations Nos. (64) to (69) on pages 184-85 of the Report]. The Chairman of the Tribunal shall be a person who has been, or is, or is qualified to be, appointed as a High Court Judge. The other members shall be persons who have either held senior administrative offices under the Government and have adequate administrative and financial experience for not less than ten years under the Government, or who are specially conversant with Hindu scriptures and religion and religious practices and with the working of Hindu religious endowments.

Clauses 11, 26, 57, 60, 61, 62, *etc.*—These clauses deal with the various important functions of the Tribunal [*vide* paragraph 20 on page 127 and recommendations Nos. (64) and (70) on pages 184-85 of the Report]. The Tribunal will have original as well as appellate jurisdiction. An appeal will lie to the Tribunal from the decisions of the Commissioner and the Tribunal will have exclusive original jurisdiction in regard to certain matters, *e.g.*, (*i*) succession and appointment to hereditary offices, such as hereditary trustees, heads of maths, etc., (*ii*) determination of what are matters of religion or essential religious practices and what are ancillary and unessential accretions, and (*iii*) such other matters of basic importance in relation to the administration and management of temples, maths, etc., which in the opinion of the Commissioner, require adjudication or decision by the Tribunal.

Clauses 12.—This clause deals with appointment of assessors to aid the Tribunal in the discharge of its functions [*vide* recommendation No. (66) on page 184 of the Report].

Clauses 14 *to* 21.—These clauses deal with registration of all Hindu public religious endowments with the Commissioner.

Clauses 22, 24, *and* 25.—These clauses deal with appointment and succession to the office of trustee, disqualifications for trusteesship, removal of trustees, etc., [*vide* paragraph 24 at page 101 and recommendations Nos. (38) to (41) at pages 180-81 and recommendation No. (57) at page 183 of the Report]. Appointment and succession to office of trustee will be regulated by rules, practices, usages or customs of the religious endowment concerned with respect to such appointment or succession.

Clause 23.—This clause provides that the Hindu Succession Act, 1956, shall not aply to succession to the office of trustee [*vide* paragraph 25 on page 101 and recommendation No. (42) on page 181 of the Report].

Clause 27.—This clause empowers the Commissioner to suspend a trustee in cases of urgency and to report the action taken to the Tribunal [*vide* recommendation No. (63) on pages 183-84 of the Report].

Clauses 28 *and* 29.—These clauses do not call for any comment [*vide* recommendations Nos. (27) and (29) on pages 177-78 of the Report]. The administration and management of every Hindu public religious endowment will vest in the trustee thereof.

Clause 30.—This clause provides for the preparation and maintenance by the trustee of a register in the prescribed form in relation to the religious endowment.

Clause 31.—This clause relates to the power of the Commissioner in cases of mismanagement and is consquent upon the general powers of supervision and control to be exercised by the Commissioner over Hindu public religious endowments.

Clauses 32, 33, 34, 35 *and* 36.—These clauses relate to the preparation of budgets by trustees of public religious endowments and the provisions to be made therein for carrying out obligatory objects and discretionary objects [*vide* recommendations Nos. (28), (30), (31), (34) and (35) at pages 178—80 and recommendation No. (71A) at page 185 of the Report].

Clause 37.—This clause empowers the Commissioner to frame a scheme for proper administration of any Hindu public religious endowment and follows from the general powers of the Commissioner as recommended by the Commission.

Clause 38.—This clause provides for the application of the property *cy press* [*vide* recommendations Nos. (36) and (37) on page 180 of the Report] on the lines of sections 13 and 14 of the U.K. Charities Act, 1960.

Clause 39.—This relates to investment of endowment money in what may be called gilt-edged securities and follows out of the recommendations relating to the proper and efficient management of endowment properties.

Clause 40.—This clause provides for the alienation (by way of sale, mortgage, exchange or gift, or by way of lease for over three years) of immovable property belonging to an endowment only with the previous sanction of the Commissioner and follows more or less recommendation No. (52) and recommendation No. (56) made on pages 182-83 of the Report.

Clauses 41, 42, 43 and 44.—These clauses prohibit *archana* and *puja* in maths and public temples by unqualified priests after the expiry of two years from the commencement of the Act, provide for the qualifications to be possessed by priests the setting up of schools for the training of priests and the syllabus for elementary and advanced training in such schools and the contributions to be made by the various Hindu public religious endowments towards the expenses of the schools and other institutions [*vide* recommendations Nos. (8), (9), (10) on pages 174-175 and Nos. (31) and (32) on page 178 of the Report].

Clauses 45 *and* 52.—These clauses provide that trustees and priests should have no proprietary rights over any gifts or offerings, *pranamis* or *padakanikas* made by worshippers, devotees, etc., unless they have been specifically designated as personal to the trustee or priest [*vide* recommendations Nos. (4), (7) and (11) on pages 173, 174 and 175 and recommendation No. (26) on page 177 of the Report].

Clause 46.—This clause provides for the preparation of codes of conduct for the priests by the Commissioner after consultation with the Council [*vide* recommendation No. (14) on page 176 and the latter part of recommendation No. (22) on page 177 of the Report].

Clause 47 *and clause* 50 (3) *to* (5).—These provisions seek to regulate all fees paid by worshippers, devotees and other visitors [*vide* recommendations Nos. (15) and (23) on pages 176 and 177 of the Report].

Clause 48.—This clause deals with the emoluments and other conditions of service of *archakas* and *pujaris* [*vide* recommendations Nos. (12) and (13) on pages 175-76 of the Report].

Clauses 49 and 50.—These clauses deals with special provisions relating to *pandas*, their licensing and the prescription of the scale of maximum and minimum charges for the services rendered by them, etc., [*vide* recommendations Nos. (20), (21), (22) and (25) on page 177 of the Report].

Clause 51.—This clause provides for the creation of a Common Good Fund [*vide* recommendation No. (33) on pages 178-79 of the Report] out of contributions voluntarily made by Hindu public religious endowments from their surplus funds or by any person, for the renovation and preservation of such endowments, etc.

Clauses 53, 54 *and* 55.— These clauses are based on recommendations No. (28) on page 178 and (71A) on page 185 of the Report and relate to maintenance of accounts by trustees and their audit, and power of the Commissioner to inspect any endowment property and to call for returns, etc., from trustees.

Clause 56.—This clause is necessary in view of the provisions of the Constitution contained in article 26.

Clause 57.—This clause to which reference has already been made in connection with the functions of the Tribunal is based upon recommendations No. (61) on pages 183 and (64) (b) and (c) on page 184 of the Report.

Clause 58.—This clause deals with the contributions to be made by the various Hindu public religious endowments for the purpose of defraying the expenses in connection with the administration of the Act.

Clause 59.—This clause is ancillary to the general powers of the Commissioner.

Clauses 60, 61 *and* 62.—These clauses deal with appeals to the Tribunal and references to it by the Commissioner.

Clauses 63 *to* 70.—These clauses provide for miscellaneous matters which are incidental or ancillary to the foregoing provisions.

Clause 71.—This clause gives power to the State Government to make rules to carry out the purposes of the Act.

Clause 73.—This clause provides that on the commencement of the Act in any State, any law applicable to any Hindu public religious endowment shall cease to apply to such endowment; actions taken or things done before such commencement under the old law are, however, saved.

MEMORANDUM REGARDING DELEGATED LEGISLATION.

Clause 71 of the Bill empowers the State Government to make rules to carry out the purposes of the Act. The matters in respect of which such rules may be made have been specified therein. They relate *inter alia* to the form and manner of making applications for registration of Hindu public religious endowments, the levy and collection of fees in respect of such registration, the form of the register, the manner of making certain inquiries, the service of notices and orders, the form of the budget of a Hindu public religious endowment, the form and manner in which the accounts of such endowment may be maintained and the audit of such accounts, the form and manner in which reports, returns, etc., have to be furnished, the conditions of service of priests and their training, the scales of fees and charges payable to the priests for services rendered by them to worshippers, pilgrims, etc., the conditions and restrictions subject to which the accumulated surplus of the religious endowment may be utilized by a trustee and the administration of the Hindu Public Religious Endowments Common Good Fund. All these matters are matters of detail or of administrative character.

2. The delegation of legislative power is thus of a normal character.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press. B'lore

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION

(LAW DEPARTMENT).

No. LAW 24 LCA 65, Bangalore, dated 15th March 1965.

Ordered that the Delhi Secondary Education Bill, 1964 (82 of 64) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 9th December 1964 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L. D.

27

BILL NO. 82 OF 1964.

A Bill to provide for better organization and development of secondary education in the Union territory of Delhi.

Be it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. *Short title, extent and commencement.*— (1) This Act may be called the Delhi Secondary Education Act, 1964.

(2) It extends to the whole of the Union territory of Delhi.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act.

2. *Definitions.*— In this Act, unless the context otherwise requires,—

(*a*) "Administrator" means the Administrator of Delhi appointed under article 239 of the Constitution;

(*b*) "aid" means any aid granted to a recognized school by the Central Government or a local authority;

(*c*) "aided school" means any school receiving aid out of the funds of the Central Government or a local authority;

(*d*) "Board" means the Central Board of Secondary Education;

(*e*) "Delhi" means the Union territory of Delhi;

(*f*) "Director" means the Director of Education, Delhi, and includes any other officer authorized by the Administrator to perform all or any of the functions of the Director under this Act;

(*g*) "existing employee" means an employee of an existing school whose appointment as such has been approved by the Director;

(*h*) "existing school" means a school which is in existence at the commencement of this Act and which, having been recognized by an appropriate authority, continues to be so recognized immediately before such commencement;

(*i*) "head of school" means the principal academic officer, by whatever name called, of a recognized school;

(*j*) "inspector" means an Inspector of Schools or the Assistant Director of Education for Women and includes any other officer authorized by the Administrator to perform all or any of the functions of an inspector;

(*k*) "manager" means a person appointed, or deemed to have been appointed, to be the manager under sub-section (1) of section 6 and approved by the Director;

(*l*) "Managing Committee" means the committee of management constituted under the scheme of management referred to in section 5 and includes any other body charged with the management of the affairs of a school;

(*m*) "prescribed" means prescribed by rules made under this Act;

(*n*) "public examination" means an examination conducted by any authority recognized by the Director for such purpose;

(*o*) "recognized school" means a school recognized or deemed to have been recognized, under section 3;

(*p*) "school" means an institution for providing secondary education and includes—

(i) a composite school for providing primary, middle and secondary education;

(ii) any school in which provision exists for class IX and proposals are pending for the opening of classes X and XI;

(*q*) "school property" includes land, buildings, playgrounds, hostels and movable properties such as furniture, apparatus, equipment, books, maps and utensils;

(*r*) "secondary education" means full time general, vocational, technical, special or any other type of education which leads to the secondary, higher secondary or equivalent public examination;

(*s*) "teacher" includes the head of a school.

3. *Recognition of schools.*— (1) The Director or any other authority specified in this behalf by the Central Government may, on application made to it in the prescribed form and in the prescribed manner, recognize any school:

Provided that no school shall be recognized if—

(*a*) it does not have adequate funds to ensure financial stability; or

(*b*) it does not have a duly approved scheme of management as required by section 5; or

(*c*) it does not have suitable accommodation with adequate sanitary and seating arrangements; or

(*d*) its premises or any part thereof is used as a shop, an office or a residence unconnected with the activities of the school; or (*e*) it does not have the prescribed facilities for physical education, library service, laboratory work, workshop practice or co-curricular activities; or

(*f*) it is named after a sect or caste.

(2) Where recognition to a school is refused on the ground of its being named after a sect or caste, the management of such school may appeal against the order in the prescribed manner to such authority as may be prescribed in this behalf by the Central Government whose decision thereon shall be final.

(3) Where the management of a school obtains recognition for the scoool by fraud, misrepresentation or suppression of material particulars or where, after obtaining recognition, the school fails to continue to comply with any of the conditions specified in the proviso to sub-section (1), the authority granting the recognition may, after giving the management of the school an opportunity of showing cause, withdraw the recognition granted to such school under sub-section (1).

(4) The recognition granted under sub-section (1) shall not by itself entitle any school to receive aid.

(5) Every existing school shall be deemed to have been recognized under this section:

Provided that where any such school does not satisfy any of the conditions specified in the proviso to sub-section (1), the prescribed authority may require the school to satisfy such condition within a specified period and if any such condition is not so satisfied, recognition may be withdrawn from such school.

(6) Every school whose recognition is withdrawn under sub-section (3) or sub-section (5) may appeal to the prescribed authority who shall dispose of the appeal in such manner as may be prescribed.

4. *Annual list of recognized schools.*— The Central Government shall publish on or before the first day of May of every year, in the Official Gazette, and in such other manner as may be prescribed, a list of all recognized schools.

5. *Scheme of management.*— (1) Notwithstanding anything in any law for the time being in force or in any instrument having effect by virtue of any such law, there shall be a scheme of management for every recognized school.

(2) The Administrator shall formulate a model scheme of management and the same shall be published in the Official Gazette.

(3) The Managing Committee of every existing school shall, within fifteen days from the publication of the scheme of management under sub-section (2), prepare and submit to the Administrator a scheme of management for such school which shall, so far as is practicable, be in conformity with the model scheme aforesaid.

(4) The Administrator may, after considering the scheme of management submitted to him under sub-section (3), approve such scheme with or without modifications.

(5) The scheme of management shall, among other things, provide for the constitution of a Managing Committee, by whatever name called, vested with authority to manage and conduct the affairs of the school.

(6) Subject to any rules made in this behalf and the requirements of section (6), the scheme of management of every recognized school shall specify the respective powers, duties and functions of the head of the school and of the Managing Committee of the school:

Provided that in respect of a Government school the composition, powers, functions and the manner of working of the Managing Committee shall be such as may be prescribed.

(*7*) The head of the school and two other teachers thereof chosen according to seniority by rotation in the prescribed manner shall be *ex officio* members of the Managing Committee.

(*8*) No member of any Managing Committee shall be entitled to vote or otherwise participate in any meeting of the committee whenever a charge concerning his personal conduct is under discussion.

(*9*) Where any person maintains more than one recognized school, there shall be a separate Managing Committee for each such school.

(*10*) Every recognized school shall be managed in accordance with the scheme of management approved under this section.

6. *Managers of schools*—(*1*) The Managing Committee constituted under section 5 of a recognized school other than a Government school may, subject to the approval of the Director, appoint any person to be the manager of the school.

Provided that any person functioning as a manager in respect of a recognized school having a Managing Committee and who has already been approved by the Director shall be deemed to have been appointed under this sub-section but only for so long as the scheme of management of the school is not approved under sub-section (4) of section 5.

(*2*) Any manager of a recognized school may resign his office by giving notice in writing of his intention so to do to the authority appointing him.

(3) A copy of such notice shall be simultaneously sent by him to the Director.

(4) It shall be the duty of the manager to—

(a) maintain in proper and good condition the school property placed under his control by the Managing Committee;

(b) maintain such records and accounts and furnish such statements and returns as may be prescribed;

(c) afford all assistance and facilities as may reasonably be necessary for the inspection of the school and its records and accounts by the inspector or any authority specified in this behalf by the Director; and

(d) generally, conduct the school in accordance with the provisions of this Act and the rules made thereunder.

7. *Closure of schools prohibited.* – (1) No school or class in a school shall be closed by the manager without notice in writing to that effect to the Director:

Provided that no school or class in a school shall be so closed before the expiry of six months from the date of the receipt by the Director of the notice or the expiry of the academic year in which the notice is given, whichever is later:

Provided further that no such notice shall be withdrawn without the consent of the Administrator.

(2) If at any time after notice has been given under sub-section (1), the manager of the school informs the Director that he is unable or unwilling to carry on the management of the school or class till the expiry of the period specified in the proviso

to sub-section (1), the Director may arrange to manage the school or class during the whole or any part of the unexpired portion of such period:

Provided that no additional liability shall fall on the Government in respect of the school or class during the period in which the Director so arranges to manage the school or class.

(3) In the event of the school being discontinued or down-graded or taken over or its recognition being withdrawn, the manager shall make over to the Director or any authority authorised by him in this behalf, all the records and accounts of the school maintained under sub-section (4) of section 6.

8. *Punishment for maintenance of false accounts, etc* — Any manager who fails to comply with the provisions of clause (*b*) or clause (*c*) of sub-section (4) of section 6 or wilfully maintains a false statement of accounts, shall, without prejudice to any other action that may be taken against him, be liable to be removed from managership:

Provided that before an order for removal of the manager from managership is passed, he shall be given an opportunity to show cause against such removal.

9. *Aid to recognized schools.* (1) The Central Government may, after due appropriation made by Parliament by law in this behalf, and subject to such conditions as may be prescribed, pay to any recognized school by way of aid such sums of money as the Central Government may consider necessary:

Provided that no existing school receiving aid shall be eligible for the continuance of the aid unless it complies with the prescribed conditions within such period as may be specified in this behalf.

(2) The authority competent to grant the aid may stop or suspend the aid for violation of any of the conditions prescribed by the rules made in this behalf or for any other good and sufficient cause.

(3) The aid may cover either the full expenditure or such part of the expenditure of the school as may be prescribed under the rules.

(4) The salaries and allowances of teachers and other employees of the school for the period for which aid is given shall be the first charge on such aid and no payment out of the aid shall be made or committed to be made before making payment to the teachers and other employees of their salaries and allowances for the period aforesaid.

(5) If the manager or the Managing Committee fails to comply with, or in any other manner contravenes, the provisions of sub-section (4) the manager or, as the case may be, the Managing Committee shall be deemed to have neglected his or its duties within the meaning of sub-section (1) of section 18.

(6) No aid shall be paid to a school which has been taken over under section 18.

10. *School property.* (1) By the 30th day of April each year, the manager of every aided school shall furnish to the Director a statement containing a list of the school property together with such particulars as may be prescribed.

(2) Notwithstanding anything to the contrary contained in any other law for the time being in force, no transfer or lease of any immovable property of an aided school shall be made except with the previous permission in writing of the Administrator.

(3) Any person aggrieved by an order of the Administrator under sub-section (2) may, in such manner and within such time as may be prescribed,

appeal to the Central Government whose decision thereon shall be final.

(4) Any transaction made in contravention of the order of the Administrator or, as the case may be, the decision of the Central Government shall be void.

11. *Terms and conditions of service of teachers and other employees.*— (1) The terms and conditions of service (including conditions regulating recruitment) of teachers and other employees of an aided school shall be such as may be prescribed.

(2) Subject to any rule that may be made in this behalf, no teacher of an aided school shall be dismissed, removed, reduced in rank or suspended, nor shall his services be otherwise terminated without the previous sanction in writing of the Director.

(3) Any teacher of an aided school aggrieved by any order under sub-section (2) may appeal to the prescribed authority who shall dispose of the appeal in such manner as may be prescribed.

(4) No person shall be disqualified for being appointed as, or for being, a teacher or any other employee of an aided school by reason only of his religious opinion or of his attendance or non-attendance at any religious worship or religious instruction.

12. *Salaries of teachers and other employees of aided schools.* (1) The salaries of teachers and other employees of an aided school shall be disbursed every month by the manager or by the prescribed authority within the prescribed time and in the prescribed manner, failing which it shall be competent for the Director to disburse or arrange to disburse the full approved salary of any teacher or other employee.

(2) For the purposes of sub-section (1), it shall be lawful for the Director either to withdraw the aid or, as the case may be, draw on the reserve and other funds of the school.

(3) Where there is any dispute regarding the salary or other dues to a teacher or other employee, the teacher or the other employee may make an application to the prescribed authority regarding the dispute and thereupon the prescribed authority shall, after giving an opportunity to the teacher or the other employee and the management to present their case, decide the matter which decision shall be binding on the teacher or the other employee and the management:

Provided that pending a decision on such application, the teacher or the other employee concerned shall continue to accept the amount offered or being offered to him by the manager or the Director.

13. *Affiliation.* - For the purpose of conducting public examination, all Government and aided schools shall be affiliated to the Board and shall fulfil the conditions prescribed by the Board in this behalf.

14. *Fees.*—No aided school shall levy any fee or any other charge at a rate exceeding the prescribed rate and such fees and other charges may be collected and accounted for in the prescribed manner.

15. *Admission of persons.* – (1) (*a*) No person who has not attained the age of five years shall be admitted to class I or equivalent class in a Government or recognized school.

(*b*) No person studying in any such school shall, without the permission in writing of the Director, be retained in the school after such person has attained the age of twenty years.

(2) Admission of persons into aided schools shall be made in the prescribed manner.

16. *School Fund.*— (1) In every aided school there shall be a fund to be called the School Fund and there shall be credited thereto—

(*a*) any monetary aid granted by the Central Government.

(*b*) income accruing to the school by way of fees, and

(*c*) any other contributions, endowments and the like.

(2) The School Fund and all other funds, including the Pupils' Fund, established with the approval of the Administrator shall be accounted for and operated upon in accordance with the rules made under this Act.

17. *Inspection.*— (1) Every recognized school shall be inspected at least once in each financial year in accordance with the prescribed rules.

(2) The Director may also arrange special inspection of any school on such aspects of its working as may, from time to time, be considered necessary by him.

(3) The Director may give directions to the manager requiring the manager to rectify any defect or deficiency found at the time of inspection or otherwise in the working of the school.

(4) If the manager fails to comply with any direction given under sub-section (3), the Director may after considering the explanation or report, if any, given or made by the manager, take such action as he may think fit, including—

(*a*) stoppage of aid,

(*b*) withdrawal of recognition, and

(*c*) taking over of the school under section 18.

18. *Taking over of aided schools.*— (1) Whenever it appears to the Administrator that the manager or Managing Committee of any aided school has neglected to perform any of the duties imposed by or under this Act, and that in the public interest it is expedient to take over the management of the school, he may, after giving the manager reasonable opportunity of showing cause against the proposed action, take over the management of that school for a period not exceeding five years.

(2) After taking over the management of any school under this Act, the Administrator may arrange to manage the school through the Director or any other person as may be considered expedient from time to time.

(3) Where the management of any aided school has been taken over under sub-section (1), the manager of the school may, within three months of the date of the taking over, represent to the Central Government for the restoration of the management of the school; and on considering the representation, the Central Government may order the restoration of the same.

(4) Where the management of any aided school has been taken over under this Act, the Administrator shall pay such rent for the building of the school, if any, to the person entitled to receive it as was being paid by the management before the taking over.

(5) During such period as any aided school remains under the management of the Administrator under this Act—

(*i*) the approved conditions of service of the existing employees of the school shall not ordinarily be adversely affected;

(*ii*) all educational facilities which the school had been affording immediately before such taking over shall ordinarily continue to be afforded; and

(*iii*) the School Fund shall continue to be available to the Administrator for being spent on the school.

(6) The Central Government may, if it deems it expedient, of its own motion or on the application of the previous management, discontinue a school taken over under this Act, and on such discontinuance the liability of the Central Government to run the school shall cease.

(7) Any order made or direction given under this section shall have effect notwithstanding anything inconsistent therewith contained in any other enactment or instrument relating to the management of the school.

19. *Exemption of immovable property.*—The Central Government shall, while taking over the management of any school, exempt any immovable property from being so taken over if such property is being used for any religious purpose, or if the Central Government is satisfied that such property on account of its proximity to any buildings of worship should be exempted.

20. *Advisory Committee*-There shall be an Advisory Committee on Education which shall assist the Director in formulating major policies about education and may be consulted by the Director on such matters as he thinks fit.

21. *Power to give directions.*—It shall be lawful for the Central Government to give any direction not inconsistent with the provisions of this Act to the manager or the Managing Committee of a

school in respect of any of the following matters, namely:—

(*i*) syllabus,

(*ii*) text-books and other reading material,

(*iii*) conditions of service of teachers,

(*iv*) sanitary facilities, and

(*v*) any other matter that may be prescribed.

22. *Delegation.*—The Central Government may delegate all or any of its powers, duties or functions under this Act to the Administrator or any other officer subordinate to him.

23. *Exemption*—If the Central Government is of opinion that it would not be expedient to make the provisions of this Act applicable to any school having regard to its financial resources, character, location or other relevant considerations, it may, by notification in the *Official Gazette*, exempt such school, either generally or subject to such conditions, if any, or for any period to be specified in the notification, from all or any of the provisions of this Act.

24. *Protection of action taken in good faith.*—No suit, prosecution or other legal proceeding shall lie against the Central Government or any authority or any officer appointed under this Act for anything which is in good faith done or intended to be done in pursuance of this Act or any rule made thereunder.

25. *Bar of jurisdiction.*—Save as otherwise expressly provided in this Act, no civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Central Government or any officer or authority appointed or specified under this Act is empowered by or under this Act to determine

and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

26. *Power to make rules.*—(*1*) The Central Government may, by notification in the *Official Gazette*, and subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(*a*) the form and manner of making an application for recognition of a school;

(*b*) the facilities for physical education, library service, laboratory work, workshop-practice or co-curricular activities to be provided in a recognized school;

(*c*) the authority to which and the manner in which an appeal may be preferred under sub-section (*2*) of section 3;

(*d*) the authority to which an appeal shall lie under sub-section (*6*) of section 3 and the manner of disposal of such appeal;

(*e*) the manner of publication of the annual list of all recognized schools under section 4;

(*f*) the composition, powers, functions and the manner of working of the Managing Committee and the manner of choosing the *ex officio* members thereof under sub-section (7) of section 5;

(*g*) the records and accounts to be maintained and the statements and returns to be furnished under clause (*b*) of sub-section (*4*) of section 6;

(*h*) the conditions for the grant of aid to recognized schools under section 9 and matters connected therewith;

(*i*) the particulars to be contained in the statement to be furnished to the Director under sub-section (*1*) of section 10 regarding the school property;

(*j*) the manner in which and the time within which an appeal shall lie to the Central Government under sub-section (*3*) of section 10.

(*k*) the authority to which an appeal shall lie under sub-section (*3*) of section 11 and the manner of disposal of such appeal;

(*l*) the terms and conditions of service (including conditions regulating recruitment) of teachers and other employees of aided schools;

(*m*) the authority who shall disburse the salaries of teachers and other employees of an aided school under sub-section (*1*) of section 12, the time within which and the manner in which the same shall be disbursed and the authority to which an application may be made under sub-section (*3*) of that section;

(*n*) the rate exceeding which no fee or other charges shall be levied by an aided school and the manner of collection and accounting of the fees and other charges;

(*o*) the admission of persons into aided schools;

(*p*) the manner of accounting and operation of the School Fund and all other funds under sub-section (*2*) of section 16;

(*q*) the manner of inspection of recognized schools; and

(*r*) any other matter which is to be, or may be, prescribed under this Act.

(*3*) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

27. *Removal of difficulties.*—If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the *Official Gazette*, make such provisions not inconsistent with the purposes of this Act, as may appear to it to be necessary or expedient for removing the difficulty.

STATEMENT OF OBJECTS AND REASONS

In recent years the unsatisfactory working and management of a number of private secondary schools in the Union territory of Delhi have been subjected to a great deal of adverse criticism. These have been mainly in respect of (i) violations of executive instructions regarding timely payment of salaries to teachers, (ii) failure to create a Reserve Fund, (iii) recruitment of teachers with lower than the prescribed qualifications, (iv) unauthorised borrowing of money from the Pupils' Fund by the managements of schools, and (v) collecting compulsory donations to meet the managements' share of the maintenance expenditure of the schools.

2. At present the Delhi Administration have no legal power to compel the managements of private schools to abide by the rules and regulations governing the terms and conditions of service of teachers, the payment of salaries of the employees regularly, the maintenance of the quality of education in the institutions or to ensure their financial stability. Although there are several private schools running smoothly and efficiently, occasions do arise when drastic action is called for. The Administration can, of course, stop or suspend the payment of grant to the school in question; but recourse to such measures adversely affects the interests of the teachers and also of the pupils. It has, therefore, become necessary for the Government to have the necessary statutory authority to require the school managements to run the schools in conformity with the prescribed conditions for ensuring improved quality of instruction and the present Bill is designed to achieve this purpose.

3. The main features of the Bill are :—

(*a*) provision for grant of recognition to a school on fulfilment of the conditions laid down in this behalf;

(*b*) provision for the framing of a scheme of management for every recognized school and the constitution of Managing Committee thereunder;

(*c*) provision for payment, stoppage or suspension of grant to a school and for making the salaries and allowances of teachers and other employees of a school the first charge on such grant;

(*d*) provision regarding the conditions of service of teachers of aided schools and for the disbursement of their salaries;

(*e*) provision regarding taking over of managements of aided schools for a period not exceeding five years if it is deemed to be expedient in public interest to do so and in that event making the School Fund available to the Administrator for being spent on the school;

(*f*) provision regarding the setting up of an Advisory Committee to assist the Director of Education;

(*g*) provision for exemption of certain schools from the purview of this Act on certain grounds such as, character, location, financial resources, etc., of the schools concerned.

NEW DELHI;

The 25th November, 1964. M. C. CHAGLA.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. F 26-1/64-SE2, dated the 3rd December, 1964 from Shri M. C. Chagla, Minister of Education to the Secretary, Lok Sabha.]

The President having been informed of the subject matter of the proposed Delhi Secondary Education Bill, 1964, recommends to the House under article 117 (3) of the Constitution of India the consideration of the Bill.

FINANCIAL MEMORANDUM

Clause 9 of the Bill provides for the payment to recognized schools of grants subject to prescribed conditions. The grant may be of recurring or non-recurring character. The aided schools are given grants on recurring basis in respect of salaries and allowances of employees, including the employers' contribution towards the contrbutory, provident Fund, contingent expenditure on account of stationery, repairs and renewal of furniture, telephones, etc., rent for the buildings hired for the schools and depreciation of the school and hostel buildings owned by the institutions. The schools are also paid non-recurring grant towards expenditure on the purchase or construction of buildings for schools and for purchase of approved items of equipment, furniture, science material, library books, etc. For both the recurring and non-recurring grants, a percentage of ceiling is prescribed. These grants will continue to be paid according to these rates, subject of course to such revisions as may be decided upon from time to time. The quantum of the grant depends on factors like the number of schools, students and employees, and is likely to vary from year to year. The provision made for this purpose during the current year's budget is Rs. 136.87 lakhs recurring and Rs. 4 lakhs non-recurring. The expenditure will be met from the Consolidated Fund of India after due appropriation made by Parliament by law in this behalf.

2. Clause 17 requires that every recognized school shall be inspected at least once in each financial year. At present the inspection of aided schools is carried out by the inspection staff of the Directorate of Education, Delhi and no separate inspection staff has been employed exclusively for the non-Government schools. After the passage of this Bill, the Director will have to ensure that the provisions of the Act are complied with and if for that purpose he finds it necessary to employ more staff, he will take necessary action with the approval of the Central Government. At this stage, it is difficult to determine the complement of additional staff that may be required or the exact amount of additional expenditure likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 26 of the Bill seeks to empower the Central Government to make rules in relation to certain matters. The matters in respect of which the Central Government may make rules relate, *inter alia* to:

(*i*) the conditions pertaining to the grant of recognition to schools;

(*ii*) the conditions governing the payment of grant to schools, admission of persons and collection of fees;

(*iii*) the terms and conditions of service (including conditions regulating recruitment) of teachers and other employees of aided schools;

(*iv*) inspection and supervision of schools.

2. These matters pertain to procedure, form or detail and as such the delegation of legislative power is of a normal character.

S. L. SHAKDHER,
Secretary.

NOTIFICATION

(LAW DEPARTMENT)

No. LAW 25 LCA 65, Bangalore, dated 15th March 1965.

Ordered that the Banking Laws (Application to Co-operative Societies) Bill, 1964 (85 of 1964) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 17th December 1964, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secretary to Government,
Law Department.

28

LOK SABHA

The following Bill was introduced in Lok Sabha on the 17th December, 1964:—

BILL NO. 85 OF 1964

A Bill further to amend the Reserve Bank of India Act, 1934 and the Banking Companies Act, 1949 for the purpose of regulating the banking business of certain co-operative societies and for matters connected therewith.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

CHAPTER I

1. *Short title and commencement.*—(*1*) This Act may be called the Banking Laws (Application to Co-operative Societies) Act, 1964.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act.

CHAPTER II

AMENDMENT OF THE RESERVE BANK OF INDIA ACT, 1934

2. *Amendment of section (2)*— In section 2 of the Reserve Bank of India Act, 1934 (2 of 1934.)

hereinafter in this Chapter referred to as the principal Act),—

(*i*) clauses (*a*) and (*aa*) shall be re-lettered as clauses (*ai*) and (*aii*) respectively, and before clause (*ai*) as so re-lettered, the following clause shall be inserted, namely:

'(*a*) "agricultural operations" includes animal husbandry and allied activities jointly undertaken with agricultural operations;';

(*ii*) for clause (*bb*), the following clauses shall be substituted, namely:—

'(*bi*) "central co-operative bank" means the principal co-operative society in a district in a State the primary object of which is the financing of other co-operative societies in that district:

Provided that in addition to such principal society in a district or where there is no such principal society in a district, the State Government may declare any one or more co-operative societies carrying on the business of financing other co-operative societies in that district to be a central co-operative bank or banks within the meaning of this definition;

(*bii*) "co-operative bank" means a State co-operative bank, a central co-operative bank and a primary co-operative bank;

(*biii*) "co-operative credit society" means a co-operative society, the primary object of which is to provide financial accommodation to its members and includes a co-operative land mortgage bank;

(*biv*) "co-operative society" means a society registered, or deemed to be registered, under the Co-operative Societies Act, 1912 (2 of 1912) or any other law relating to co-operating societies for the time being in force in any State;

(*bv*) "crops" includes products of agricultural operations;';

(*iii*) clauses (*bbb*) and (*bbbb*) shall be re-lettered as clauses (*bvi*) and (*bvii*) respectively, and after clause (*bvii*) as so re-lettered, the following clause shall be inserted, namely:—

'(*bviii*) "director", in relation to a co-operative society, includes a member of any committee or body for the time being vested with the management of the affairs of that society;';

(*iv*) after clause (*c*), the following clauses shall be inserted, namely:—

'(*ci*) "marketing of crops" includes the processing of crops prior to marketing by agricultural producers or any organization of such producers;

(*cii*) "primary agricultural credit society" means a co-operative society,—

(1) the primary object or principal business of which is to provide financial accommodation to its members for agricultural purposes or for purposes connected with agricultural activities (including the marketing of crops); and

(2) the bye-laws of which do not permit admission of any other co-operative society as a member;

(*ciii*) "primary co-operative bank" means a co-operative society, other than a primary agricultural credit society,—

(1) the primary object or principal business of which is the transaction of banking business;

(2) the paid-up share capital and reserves of which are not less than one lakh of rupees; and

(3) the bye-laws of which do not permit admission of any other co-operative society as a member;

(*civ*) "primary credit society" means a co-operative society, other than a primary agricultural credit society,—

(1) the primary object or principal business of which is the transaction of banking business;

(2) the paid-up share capital and reserves of which are less than one lakh of rupees; and

(3) the bye-laws of which do not permit admission of any other co-operative society as a member;

Explanation.—If any dispute arises as to the primary object or principal business of any co-operative society referred to in this clause or clause (*cii*) or clause (*ciii*), a determination thereof by the Bank shall be final.';

(*v*) clause (*ee*) shall be re-lettered as clause (*ei*);

(*vi*) in clause (*f*), for the words beginning with "the principal society" and ending with "are deemed to be so registered", the words "the principal co-operative society in a State, the primary object of which is the financing of other co-operative societies in the State" shall be substituted.

3. *Amendment of section 10.*— In section 10 of the principal Act, for clause (*e*) of sub-section (*1*), the following clause shall be substituted, namely:—

"(*e*) is a director of a banking company within the meaning of clause (*c*) of section 5 of the Banking Companies Act, 1949, (10 of 1949) or of a co-operative bank.".

4. *Amendment of section 17.*— In section 17 of the principal Act, in clause (*2*), *Explanation* to sub-clause (*b*) shall be omitted.

5. *Amendment of section 18.*— In section 18 of the principal Act, in clause (*3*) of sub-section (*1*), after the words and figures "the Banking Companies Act, 1949" the words "or to a State co-operative bank or, on the recommendation of the State co-operative bank, to any other co-operative bank" shall be inserted.

6. *Amendment of section 42.*- In section 42 of the principal Act,—

(*i*) in sub-section (*1*), for clause (*c*) of the *Explanation*, the following clause shall be substituted namely:-

'(*c*) "liabilities" shall not include—

'(*i*) the paid-up capital or the reserves or any credit balance in the profit and loss account of the bank,

(*ii*) the amount of any loan taken from the Bank or from the Development Bank or from the Agricultural Refinance Corporation or from the State Bank or from any other bank notified by the Central Government in this behalf, and

(*iii* in the case of a State co-operative bank, also any loan taken by such bank from a State Government and any deposit of money with such bank representing the reserve fund or any part thereof required to be maintained with it by any co-operative society within its area of operation;';

(*ii*) in sub-section (*6*), in sub-clause (*iii*) of clause (*a*), for the words "is a company", the words "is a State co-operative bank or a company" shall be substituted.

7. *Omission of section 44.*— Section 44 of the principal Act shall be omitted.

8. *Amendment of section 45H.*— In section 45H of the principal Act, after the words and figures "section 51 of that Act", the words "or a co-operative bank or a primary agricultural credit society or a primary credit society" shall be inserted.

9. *Amendment of section 45I.*— In section 45I of the principal Act, in clause *(e)*, after the word "corporation,", the words "co-operative society" shall be inserted.

CHAPTER III

AMENDMENT OF THE BANKING COMPANIES ACT, 1949

10. *Amendment of long title and preamble* In the Banking Companies Act, 1949 (10 of 1949) hereinafter in this Chapter referred to as the principal Act, in the long title and in the preamble, the word "companies" shall be omitted.

11. *Amendment of section (1)*—1 In section 1 of the principal Act, in sub-section *(1)*, for the word "Companies", the word "Regulation" shall be substituted.

(2) Any reference to the Banking Companies Act, 1949 (10 of 1949) in any law for the time being in force, or in any instrument or other document, shall be construed as a reference to the Banking Regulation Act, 1949.

12. *Substitution of new section for section 3. Act to apply to co-operative societies in certain cases.* For

section 3 of the principal Act, the following section shall be substituted, namely:—

"3. Nothing in this Act shall apply to—

(*a*) a primary agricultural credit society;

(*b*) a co-operative land mortgage bank; and

(*c*) any other co-operative society, except in the manner and to the extent specified in Part V.".

13. *Amendment of section 18.*— In section 18 of the principal Act, in clause (*b*) of the ***Explanation***, for the words "the Refinance Corporation for Industry Limited,", the words "the Industrial Development Bank of India or from the Agricultural Refinance Corporation" shall be substituted.

14. *Insertion of new Part V.*— In the principal Act, after Part IV, the following Part shall be inserted, namely:—

PART V

APPLICATION OF THE ACT TO CO-OPERATIVE BANKS

56. *Act to apply to co-operative societies subiect to modifications.*— The provisions of this Act, as in force for the time being, shall apply to or in relation to, co-operative societies as they apply to, or in relation to, banking companies subject to the following modifications, namely:—

(*a*) Throughout this Act, unless the context otherwise requires,—

(*i*) references to a "banking company" or "the company" or "such company" shall be construed as references to a co-operative bank, (*ii*) references to "commencement of this Act" shall be construed as references to commencement of the Banking Laws (Application to Co-operative Societies) Act, 1964;

(*b*) in section 2, the words and figures "the Companies Act, 1956, and" shall be omitted;

(*c*) in section 5, --

(*i*) after clause (*cc*), the following clause shall be inserted, namely: –

'(*ccc*) "central co-operative bank", "co-operative bank", "co-operative society", "director", "primary agricultural credit society", "primary co-operative bank", "primary credit society" and "State co-operative bank" shall have the meanings respectively assigned to them in the Reserve Bank of India Act, 1934, (2 of 1934)

(*ii*) clauses (*ff*) and (*h*) shall be omitted;

(*d*) for section 5A, the following section shall be substituted, namely: –

Act to override bye-laws etc.—

"5A. (*1*) The provisions of this Part shall have effect, notwithstanding anything to the contrary contained in the bye-laws of a co-operative society, or in any agreement executed by it, or in any resolution passed by it in general meeting, or by its Board of directors or other body entrusted with the management of its affairs, whether the same be registered, executed or passed, as the case may be, before or after the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1964.

(*2*) Any provision contained in the bye-laws, agreement or resolution aforesaid shall, to the extent to which it is repugnant to the provisions of this Part, become or be void, as the case may be.";

(*e*) in section 6, in sub-section (*1*), -

(*i*) in clause (*b*), the words ,"but excluding the business of a managing agent or secretary and treasurer of a company" shall be omitted;

(*ii*) in clause (*d*), after the word "company,", the words "co-operative society," shall be inserted;

(*iii*) in clause (*m*), after the word "company", the words "or co-operative society" shall be inserted;

(*f*) for section 7, the following section shall be substituted, namely:—

7. *Use of word "bank", "banker", or "banking".*— (1) No co-operative society other than a co-operative bank shall use as part of its name any of the words "bank", "banker" or "banking" and no co-operative society shall carry on the business of banking in India unless it uses as part of its name at least one of such words.

(2) Nothing in this section shall apply to—

(*a*) a primary credit society, or

(*b*) a co-operative society formed for the protection of the mutual interests of co-operative banks or co-operative land mortgage banks.';

(*g*) section 10 shall be omitted;

(*h*) for section 11, the following section shall be substituted, namely:—

11. *Requirement as to minimum paid-up capital and reserves* — (1) Notwithstanding any law relating to co-operative societies for the time being in force, no co-operative bank shall commence or carry on the business of banking in India unless the aggregate value of its paid-up capital and reserves is not less than one lakh of rupees.

Provided that nothing in this sub-section shall apply to—

(*a*) any such bank which is carrying on such business at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1964, for a period of three years from such commencement; or

(*b*) to a primary credit society which becomes a primary co-operative bank after such commencement, for a period of two years from the date it so becomes a primary co-operative bank or for such further period not exceeding one year as the Reserve Bank, having regard to the interests of the depositors of the primary co-operative bank, may think fit in any particular case to allow.

(2) For the purposes of this section, "value" means the real or exchangeable value and not the nominal value which may be shown in the books of the co-operative bank concerned.

(3) If any dispute arises in computing the aggregate value of the paid-up capital and reserves of any such co-operative bank, a determination thereof by the Reserve Bank shall be final for the purposes of this section.";

(*i*) sections 12, 12A, 13 and 15 to 17 shall be omitted;

(*j*) for section 18, the following section shall be substituted, namely:—

18. *Cash reserve.*— 'Every co-operative bank, not being a State co-operative bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934, (2 of 1934) shall maintain in India by way of cash reserve with itself or in current account opened with the Reserve Bank or the State Bank of India or the State co-operative

bank of the State concerned or with any other bank notified by the Central Government in this behalf or, in the case of a primary co-operative bank, with the central co-operative bank of the district concerned or partly in cash with itself and partly in such account or accounts, a sum equivalent to at least three per cent, of the total of its time and demand liabilities in India, and shall submit to the Reserve Bank before the 15th day of every month a return showing the amount so held on Friday of each week of the preceding month with particulars of its time and demand liabilities in India on each such Friday or, if any such Friday is a public holiday under the Negotiable Instruments Act, 1881, (26 of 1881) at the close of business on the preceding working day.

Explanation.—In this section and section 24 "liabilities in India" shall not include,—

(a) the paid-up capital or the reserves or any credit balance in the profit and loss account of the co-operative bank:

(b) any advance taken from a State Government, the Reserve Bank, the State Bank of India the Industrial Development Bank of India, the Agricultural Refinance Corporation or any bank notified by the Central Government under clause (c) of the *Explanation* to sub-section (1) of section 42 the Reserve Bank of India Act, 1934, (2 of 1934).

(c) in the case of a central co-operative bank, also any advance taken by it from the State co-operative bank of the State concerned and any deposit of money with it representing the reserve fund or any part thereof required to be maintained with it by any other co-operative society within the area o its operation;

(d) in the case of a primary co-operative bank, also any advance taken by it from the State co-operative bank of the State concerned or the central co-operative bank of the district concerned.';

(*k*) for section 19, the following section shall be substituted, namely:—

"19. *Restriction on holding shares in other co-operative societies*—No co-operative bank shall hold shares in any other co-operative society except to such extent and subject to such conditions as the Reserve Bank may specify in that behalf:

Provided that nothing contained in this section shall apply to—

(*i*) shares acquired through funds provided by the State Government for that purpose;

(*ii*) in the case of a central co-operative bank, the holding of shares in the State co-operative bank to which it is affiliated;

(*iii*) in the case of a primary co-operative bank, the holding of shares in the central co-operative bank to which it is affiliated or, where there is no such central co-operative bank, shares in the State co-operative bank of the State in which it is registered:

Provided further that where any shares are held by a co-operative bank in contravention of this section at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1964, the co-operative bank shall without delay report the matter to the Reserve Bank and shall, notwithstanding anything contained in this section, be entitled to hold the shares for such period and on such conditions as the Reserve Bank may specify.";

(*l*) in section 20, in sub-section (1),—

(*i*) the words and figures "Notwithstanding anything to the contrary contained in section 77 of the Companies Act, 1956 (1 of 1956) shall be omitted;

(*ii*) for the proviso, the following proviso shall be substituted, namely:—

"Provided that nothing in clause (*b*) shall apply to the grant of unsecured loans or advances—

(*a*) made by a co-operative bank—

(*i*) against bills for supplies or services made or rendered to Government or bills of exchange arising out of *bona fide* commercial or trade transactions, or

(*ii*) in respect whereof trust-receipts are furnished to the co-operative bank;

(*b*) made by a primary co-operative bank to any of its directors within such limits and on such terms and conditions as may be approved by the Reserve Bank in this behalf.";

(*m*) in section 20A, in sub-section (1), the words and figures "Notwithstanding anything to the contrary contained in section 293, of the Companies Act, 1956," (1 of 1956) shall be omitted;

(*n*) in section 21, in sub-section (2), in clauses (c) and (d), for the words "any one company, firm, association of persons or individual", the words "any one party" shall be substituted:

(*o*) in section 22,—

(*i*) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:

"(1) Save as hereinafter provided, no co-operative society shall carry on banking business in India unless—

(*a*) it is a primary credit society, or (*b*) it is a co-operative bank and holds a licence issued in that behalf by the Reserve Bank, subject to such conditions, if any, as the Reserve Bank may deem fit to impose:

Provided that nothing in this sub-section shall apply to a co-operative society, not being a primary credit society or a co-operative bank carrying on banking business at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1964, for a period of one year from such commencement.

(2) Every co-operative society carrying on business as a co-operative bank at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1964, shall before the expiry of three months from such commencement, every primary credit society which becomes a primary co-operative bank after such commencement shall before the expiry of three months from the date on which it so becomes a primary co-operative bank and every co-operative society other than a primary credit society shall before commencing, banking business in India, apply in writing to the Reserve Bank for a licence under this section:

Provided that nothing in clause (*b*) of sub-section (1) shall be deemed to prohibit a co-operative society carrying on business as a co-operative bank at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1964, and a primary credit society which becomes a primary co-operative bank after such commencement, from carrying on banking business until it is granted a licence in pursuance of this section or is by notice in writing informed by the Reserve Bank that a licence cannot be granted to it.";

(*ii*) in sub-section (3), clause (*c*) shall be omitted;

(*p*) in section 23, for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) Without obtaining the prior permission of the Reserve Bank, no co-operative bank shall open a new place of business or change otherwise than within the same city, town or village, the location of an existing place of business:

Provided that nothing in this sub-section shall apply to—

(*a*) the opening for a period not exceeding one month of a temporary place of business within a city, town or village or the environs thereof within which the co-operative bank already has a place of business, for the purpose of affording banking facilities to the public on the occasion of an exhibition, a conference or a mela or any other like occasion;

(*b*) the opening of branches by a central co-operative bank within the area of its operation";

(*q*) in section 24,—

(*i*) in sub-section (1), the words "After the expiry of two years from the commencement of this Act," shall be omitted;

(*ii*) for sub-sections (2) and (2A), the following sub-sections shall be substituted, namely:—

"(2) In computing the amount for the purposes of sub-section (1),—

(*a*) any balances maintained in India by a co-operative bank in current account with the Reserve Bank or the State Bank of India or with any other bank which may be notified in this behalf by the Central Government, including in the case of a State co-operative bank, the balance required under section 42 of the Reserve Bank of India Act, 1934 (2 of 1934.) to be so maintained.

(*b*) any balances maintained by a central co-operative bank with the State co-operative bank of the State concerned, and

(*c*) any balances maintained by a primary co-operative bank with the central co-operative bank of the district concerned or with the State co-operative bank of the State concerned,

shall be deemed to be cash maintained in India.

(2A) (*a*) Notwithstanding anything contained in sub-section (1) or in sub-section (2), after the expiry of two years from the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1964, or of such further period not exceeding one year as the Reserve Bank, having regard to the interests of the co-operative bank concerned, may think fit in any particular case to allow,—

(*i*) a State co-operative bank, in addition to the average daily balance which it is, or may be, required to maintain under section 42, of the Reserve Bank of India Act, 1934, (2 of 1934) and

(*ii*) every other co-operative bank, in addition to the cash reserve which it is required to maintain under section 18,

shall maintain in India in cash, gold or unencumbered approved securities, valued at a price not exceeding the current market price, an amount which shall not at the close of business on any day be less than twenty-five per cent, of the total of its demand and time liabilities in India;

(*b*) in computing the amount for the purposes of clause (*a*),—

(*i*) any cash or balances maintained in India by a co-operative bank, other than a State co-operative bank, with itself or in current account with the Reserve Bank or the State Bank of India or the State co-operative bank of the State concerned or with any other bank which may be notified in this behalf by the Central Government and, in the case of a primary co-operative bank, also any balances maintained with the central co-operative bank of the district concerned, in excess of the aggregate of the cash or balance or both required to be maintained under section 18, and

(*ii*) any balance maintained by a State co-operative bank with the Reserve Bank in excess of the balance required to be maintained by it under section 42 of the Reserve Bank of India Act, 1934, and any balances maintained by a State co-operative bank with the State Bank of India or with any other bank which may be notified in this behalf by the Central Government,

shall be deemed to be cash maintained in India.";

(*r*) section 25 shall be omitted;

(*s*) for sections 29 and 30, the following section shall be substituted, namely:—

29. *Accounts and balance sheet.*—"(*1*) At the expiration of each year ending with the 30th day of June, every co-operative bank, in respect of all business transacted by it, shall prepare with reference to that year a balance-sheet and profit and loss account as on the last working day of the year in the forms set out in the Third Schedule or as near thereto as circumstances admit.

(*2*) The balance-sheet and profit and loss account shall be signed by the manager or the principal officer of the bank and where there are more than three directors, of the bank, by at least three of those directors, or where there are not more than three directors, by all the directors.

(*3*) The Central Government, after giving not less than three months' notice of its intention so to do by a notification in the *Official Gazette*, may from time to time by a like notification amend the Forms set out in the Third Schedule.";

(*t*) in section 31, for the words "within three months" and "of three months", the words "within six months" and "of six months" shall respectively be substituted;

(*u*) sections 32 to 34 shall be omitted;

(*v*) in section 34A, sub-section (3) shall be omitted;

(*w*) in section 35,—

(*i*) in sub-section (*1*),—

(*a*) for the words and figures "section 235 of the Companies Act, 1956, (1 of 1956)", the words "any law relating to co-operative societies for the time being in force" shall be substituted;

(*b*) the following proviso shall be inserted at the end, namely:—

"Provided that the Reserve Bank may, if it considers necessary or expedient so to do, cause an inspection to be made of a primary co-operative bank under this sub-section by one or more officers of a State co-operative bank in the State in which such primary co-operative bank carries on business.";

(*ii*) in sub-section (4), clause (*b*) shall be omitted;

(*iii*) the *Explanation* shall be omitted;

(*x*) in section 35A, in sub-section (1), in clause (*c*) for the words "any banking company", the words "the banking business of any co-operative bank" shall be substituted;

(*y*) section 35B shall be omitted;

(*z*) in section 36, in sub-section (1), clauses (*b*) and (*d*) shall be omitted;

(*za*) in section 36A,—

(*i*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The provisions of section 11, section 18 and section 24 shall not apply to a co-operative bank which has been refused a licence under section 22 or whose licence has been cancelled under that section or which is or has been prohibited or precluded from accepting deposits by virtue of any order made under this Act or of any alteration made in its bye-laws.";

(*ii*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*3*) Subject to the provisions of sub-sections (*1*) and (*2*), a co-operative society carrying on business as a primary co- perative bank at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1964, or a co-operative society which becomes a primary co-operative bank after such commencement shall, notwithstanding that it does not at any time thereafter satisfy the requirements of the definition of primary co-operative bank in clause (*ccc*) of Section 5, continue to be a primary co-operative bank within the meaning of this Act, and may, with the approval of the Reserve Bank and subject to such terms and conditions as the Reserve Bank may specify in that behalf, continue to carry on the business of banking.";

(*zb*) Part IIA, Part III, except sub-sections (*1*), (*2*) and (*3*) of Section 45, and Part IIIA except section 45W shall be omitted;

(*zc*) in section 46, in clause (*a*) of the *Explanation*, after the words "includes a", the words "co-operative society", shall be inserted;

(*zd*) in section 47, the words, brackets, figures and letters "sub-section (*5*) of Section 36AA or" shall be omitted;

(*ze*) section 49 shall be omitted;

(zf) in section 49A, for the proviso, the following proviso shall be substituted, namely:—

"Provided that nothing contained in this section shall apply to—

(*a*) a primary credit society,

(*b*) any other co-operative society accepting such deposits at the commencement of the Banking Laws (Application to Co-operative Societies) Act, 1964, for a period of one year from the date of such commencement; and

(*c*) any savings bank scheme run by the Government.";

(*zg*) sections 49B and 49C shall be omitted;

(*zh*) in section 50, the figures and letters "10, 12A, 16,", "35B," and "43A", shall be omitted;

(*zi*) section 51, shall be omitted;

(*zj*) in section 52,—

(*i*) in sub-section (*2*), the words, figures and letter "and the form in which the official liquidator may file lists of debtors to the Court having jurisdiction under Part III or Part IIIA and the particulars which such lists may contain" shall be omitted;

(*ii*) sub-section (*4*), shall be omitted;

(*zk*) for section 55 and the First Schedule, the following section shall be substituted, namely:—

55. *Act 18 of 1891 and Act 46 of 1949 to apply in relation to Co-operative Banks.*—(*1*) "The Bankers' Books Evidence Act, 1891 shall apply in relation to a co-operative bank as it applies in relation to a bank as defined in section 2 of that Act.

(*2*) The Banking Companies (Legal Practitioners' Clients' Accounts) Act, 1949 shall apply in relation to a co-operative bank as it applies in relation to a banking company as defined in section 2 of that Act.";

(*zl*) for the Third Schedule and the Fourth Schedule the following Schedule shall be substituted namely :—

"THE THIRD SCHEDULE

(*See* section 29)

FORM A

FORM OF BALANCE-SHEET

CAPITAL AND LIABILITIES	Rs. P.	Rs. P.	PROPERTY AND ASSETS	Rs. P.	Rs. P.
1. CAPITAL :			1. CASH :		
(*i*) Authorised Capital			In hand and with Reserve Bank, State Bank of India, State co-operative bank and central co-operative bank ...		
......Shares of Rs ....each					
..... Shares of Rs.........each					
....					
(*ii*) Subscribed Capital			2. BALANCES WITH OTHER BANKS :		
......Shares of Rs.........each			(*i*) Current deposits		
......Shares of Rs........ each			(*ii*) Savings bank deposits...		
....			(*iii*) Fixed deposits		
(*iii*) Amount called up			3. MONEY AT CALL AND SHORT NOTICE		
On.......Shares at Rs..........each			4. INVESTMENTS :		
less calls unpaid			(*i*) In Central and State Government securities (at book value)		
On.......Shares at Rs..........each					
less calls unpaid			Face value Rs.		

Of (*iii*) above, held by
- (*a*) Individuals ... ...
- (*b*) Co-operative institutions ...
- (*c*) State Government ... ...

2. RESERVE FUND AND OTHER RESERVES: ... ...
- (*i*) Statutory Reserve ... ...
- (*ii*) Agricultural (Credit Stabilization Fund) ... ...
- (*iii*) Building Fund ... ...
- (*iv*) Dividend Equalization Fund ...
- (*v*) Special Bad Debts Reserve ...
- (*vi*) Bad and Doubtful Debts Reserve
- (*vii*) Investment Depreciation Reserve ... ...
- (*viii*) Other Funds and Reserves (to be specified) ... ...

3. PRINCIPAL/SUBSIDIARY STATE PARTNERSHIP FUND ACCOUNT: ...

For share capital of:
- (*i*) Central co-operative banks ...
- (*ii*) Primary agricultural credit societies ... ...
- (*iii*) Other societies ... ...

Market value Rs. ... ...
- (*ii*) Other Trustee securities ... ...
- (*iii*) Shares in co-operative institutions other than in item (5) below ...
- (*iv*) Other investments (to be specified) ...

5. INVESTMENTS OUT OF THE PRINCIPAL/SUBSIDIARY STATE PARTNERSHIP FUND ... ...

In shares of:
- (*i*) Central co-operative banks ...
- (*ii*) Primary agricultural credit societies
- (*iii*) Other societies ... ...

6. ADVANCES†:
- (*i*) Short-term loans, cash credits, overdrafts and bills discounted ...

Of which secured against:
- (*a*) Government and other approved securities ... ...
- (*b*) Other tangible securities at

CAPITAL AND LIABILITIES	Rs. P.	Rs. P.	PROPERTY AND ASSETS	Rs. P.	Rs. P.
4. DEPOSITS AND OTHER ACCOUNTS:			Of the advances, amount due from individuals		
(i) Fixed deposits*					
(a) Individuals** ...					
(b) Central co-operative banks					
(c) Other societies			Of the advances, amount overdue		
(ii) Savings Bank Deposits ...					
(a) Individuals**			Considered bad and doubtful of recovery ...		
(b) Central co-operative bank			(ii) Medium-term loans		
(c) Other societies			Of which secured against:		
(iii) Current deposits					
(a) Individuals**			(a) Government and other approved securities		
(b) Central co-operative banks					
(c) Other societies			(b) Other tangible securities at ...		
(iv) Money at call and short notice					
5. BORROWINGS†			Of the advances, amount due from individuals		
(i) From the Reserve Bank of India/State/Central co-operative bank:			Of the advances, amount overdue:		

---

*"Fixed deposits" will include reserve fund deposits of societies, employees provident fund deposits, staff security deposits, recurring deposits, cash certificates, etc.

**Under the item "individuals" deposits from institutions other than co-operative banks and societies may be included.

†"Borrowings" and "Advances".—Short-term loans will be for periods up to 15 months, medium-term loans from 15 months to 5 years and long-term loans over 5 years.

Of (*iii*) above, held by

- (*a*) Individuals ... ...
- (*b*) Co-operative institutions ...
- (*c*) State Government ... ...

2. RESERVE FUND OTHER RESERVES ... ...
   - (*i*) Statutory Reserve ... ...
   - (*ii*) Agricultural (Credit Stabilization Fund) ... ...
   - (*iii*) Building Fund ... ...
   - (*iv*) Dividend Equalization Fund ...
   - (*v*) Special Bad Debts Reserve ...
   - (*vi*) Bad and Doubtful Debts Reserve
   - (*vii*) Investment Depreciation Reserve .. ..
   - (*viii*) Other Funds and Reserves (to be specified) ... ...

3. PRINCIPAL/SUBSIDIARY STATE PARTNERSHIP FUND ACCOUNT ...

   For share capital of:
   - (*i*) Central co-operative banks ...
   - (*ii*) Primary agricultural credit societies ... ...
   - (*iii*) Other societies ... ...

Market value Rs. ... .

- (*ii*) Other Trustee securities ... ...
- (*iii*) Shares in co-operative institutions other than in item (5) below ...
- (*iv*) Other investments (to be specified) ...

5. INVESTMENTS OUT OF THE PRINCIPAL/SUBSIDIARY STATE PARTNERSHIP FUND ... ...

In shares of:

- (*i*) Central co-operative banks ...
- (*ii*) Primary agricultural credit societies
- (*iii*) Other societies ... ...

6. ADVANCES†:
   - (*i*) Short-term loans, cash credits, overdrafts and bills discounted ...

Of which secured against:

- (*a*) Government and other approved securities . ...
- (*b*) Other tangible securities at

CAPITAL AND LIABILITIES

Rs. P. Rs. P.

Of which secured against : ...
(A) Government and other approved securities ...
(B) Other tangible securities at ... ...
(c) Long-term loans
Of which secured against : ...
(A) Government and other approved securities ...
(B) Other tangible securities at . ...
(iii) From the State Government
(a) Short-term loans
Of which secured against
(A) Government and other approved securities
(B) Other tangible securities at ...
(b) Medium-term loans
Of which secured against :
(A) Government and other approved securities
(B) Other tangible securities at ... ...

PROPERTY AND ASSETS

Rs. P. Rs. P.

10. PREMISES LESS DEPRECIATION ...
11. FURNITURE AND FIXTURES LESS DEPRECIATION ... ...
12. OTHER ASSETS (to be specified) ...
13. NON-BANKING ASSETS ACQUIRED IN SATISFACTION OF CLAIMS (stating mode of valuation) ... ...
14. PROFIT AND LOSS ... ...

(*a*) Short-term loans, cash credits and overdrafts ...
Of which secured against ...
(A) Government and other approved securities
(B) Other tangible securities at . ...
(*b*) Medium-term loans of which secured against:
(A) Government and other approved securities ...
(B) Other tangible securities at . ...
(*c*) Long-term loans of which secured against:
(A) Government and other approved securities ...
(B) Other tangible securities at . ...
(*ii*) From the State Bank of India.
(*a*) Short-term loans, cash credits and overdrafts ...
Of which secured against:
(A) Government and other approved securities ...
(B) Other tangible securities at . ...
(*b*) Medium-term loans ...

Considered bad and doubtful of recovery .

(*iii*) Long-term loans
Of which secured against:
(*a*) Government and other approved securities ... ...
(*b*) Other tangible securities at ...

Of the advances, amount due from individuals ... ...
Of the advances, amount overdue ... ...
Considered bad and doubtful of recovery ...

7. INTEREST RECEIVABLE:
Of which overdue...

Considered bad and doubtful of recovery ...

8. BILLS RECEIVABLE BEING BILLS FOR COLLECTION AS *per contra* ... ...

CAPITAL AND LIABILITIES	Rs. P.	Rs. P.	PROPERTY AND ASSETS	Rs. P.	Rs. P.
CONTINGENT LIABILITIES					
(i) Outstanding liabilities for guarantees issued					
(ii) Others					
TOTAL ...					

---

at “Other tangible security” will include borrowings against gold and gold ornaments, repledge of goods, mortgage of land, etc.

General Instructions.—The corresponding figures (to the nearest rupee, if so desired) for the year immediately preceding the year to which the balance-sheet relates should be shown in separate columns,

(*c*) Long-term loans
Of which secured against:
(A) Government and other approved securities
(B) Other tangible securities at ... ...
(*iv*) Loans from other sources (source and security to be specified)

6. BILLS FOR COLLECTION BEING BILLS RECEIVABLE AS *per contra*

7. BRANCH ADJUSTMENTS ... ...

8. OVERDUE INTEREST RESERVE

9. INTEREST PAYABLE ... ...

10. OTHER LIABILITIES ... ...
(*i*) Bills payable ... ...
(*ii*) Unclaimed dividends ... ...
(*iii*) Suspense ... ...
(*iv*) Sundries ... ...

11. PROFIT AND LOSS
Profit as per last balance-sheet *Less* appropriations
Add profit for the year brought from the Profit and Loss Account

TOTAL

TOTAL ..

FORM B

FORM OF PROFIT AND LOSS ACCOUNT

Profit and loss account for the year ended........................

EXPENDITURE	Rs. P.	Rs. P.	INCOME	Rs. P.	Rs. P.
1. Interest on deposits, borrowings etc.			1. Interest and discount		
2. Salaries and allowances and provident fund			2. Commission, exchange and brokerage		
3. Directors' and local committee members' fees and allowances ...			3. Subsidies and donations		
4. Rent, taxes, insurance, lighting, etc.			4. Income from non-banking assets and profit from sale of or dealing with such assets		
5. Law charges			5 Other receipts		
6. Postage, telegrams and telephone charges			6. Loss (if any)		
7. Auditor's fees					
8. Depreciation on and repairs to property					
9. Stationery, printing and advertisement, etc.					
10. Loss from sale of or dealing with non-banking assets					
11. Other expenditure					
12. Balance of profit					
TOTAL			TOTAL		

General Instructions.—The corresponding figures (to the nearest rupee, if so desired) for the year immediately preceding the year to which the profit and loss account relates should be shown in separate columns".'.

STATEMENT OF OBJECTS OF REASONS

The provisions of the Banking Companies Act, 1949 are not now applicable to or in relation to co-operative banks. The deposits and working funds of co-operative banks are now so large that the extension of the more important provisions of the Banking Companies Act, 1949 (and of certain other allied provisions of the Reserve Bank of India Act, 1934) to these banks will be in the public interest, The Bill seeks accordingly to extend to the State co-operative banks, the central co-operative banks and the more important primary non-agricultural co-operative banks certain provisions of the existing Central laws which are relatable to "banking"

2. The notes on clauses explain in detail the various provisions of the Bill.

New Delhi,
The 3rd December, 1964. T.T. KRISHNAMACHARI.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. F. 10/7/64-SB, dated the 9th December, 1964 from Shri T. T. Krishnamachari, Minister of Finance to the Secretary, Lok Sadha.]

The President having been informed of the subject matter of the proposed Banking Laws (Application to Co-operative Societies) Bill, 1964, recommends the introduction of the Bill in the Lok Sabha under clause (1) of article 117 of the Constitution.

Notes on Clauses

Clause 2.— Chapter II of the Bill provides for certain amendments to the Reserve Bank of India Act, consequent on the application of the more important provisions of this Act to co-operative societies Clause 2 provides for the definition of the expressions used in the Act in relation to co-operative banks or other co-operative societies.

According to the scheme of control as it is envisaged in the Reserve Bank of India Act and in the Banking Companies Act, (*a*) all the State or apex co-operative banks, (*b*) all central co-operative banks and (*c*) such of the primary non-agricultural credit societies, including in particular urban co-operative banks, as have paid-up capital and reserves of a nominal value of Rs. 1 lakh or more, will be deemed to be co-operative banks. The definition of the expression "co-operative bank" will exclude (*a*) all primary agricultural credit societies, whatever the nominal value of their paid-up capital may be, (*b*) primary non-agricultural credit societies with paid-up capital and reserves of a nominal value of less than rupees one lakh, even though they may be accepting deposits from non-members and (c) all other co-operative societies which do not obtain, or may hereafter cease to obtain, deposits from non-members.

If any doubt arises in regard to the classification of any particular society having regard to the nature of its business or operations, the question, it is proposed, should be decided finally by the Reserve Bank.

Clause 3—provides for a consequential change in the qualifications now prescribed for the appointment of the directors of the Central Board of the Reserve Bank. It is proposed that directors of co-operative banks should in future be disqualified, (as directors of banking companies are at present) for appointment to this board. Although the nomination of representatives of co-operative banks, which will be controlled by the Reserve Bank in future, will be in appropriate and will not, therefore, be possible, persons with experience and knowledge of co-operation, and not connected actively with the management of co-operative banks as directors, will still continue to be eligible for appointment to the Central Board of the Reserve Bank.

Clause 4—provides for an amendment of a consequential nature.

Clause 5—According to the scheme of the Reserve Bank of India Act, only scheduled banks (and State or apex co-operative banks which are enttiled to be included in the Second Schedule to the Reserve Bank of India Act) are or will normally be entitled to loans and advances from the Reserve Bank. Commercial banks which are not included in the Second Schedule, and central and primary co-operative banks, which are not entitled to be so included, do not or will not enjoy the facility of direct access to the Reserve Bank. In the event of an emergency, however, the Reserve

Bank will be able according to the provisions of section 18 (*1*) of its statute to grant loans or advances to non-scheduled banks direct or to relax the conditions as regards the security in respect of such loans. Clause 5 seeks to extend the benefit of these provisions, in the event of emergencies, to central and primary co-operative banks (which will be treated for this and for other purposes as non-scheduled banks).

Clause 6 - seeks to modify the definition of "liabilities" in the case of apex co-operative banks for the purpose of calculating the reserve at 3 per cent, which will have to be maintained with the Reserve Bank. The amount of the loans obtained by co-operative banks from the Industrial Development Bank of India, the Agricultural Refinance Corporation and the State Government concerned and deposits representing the reserves of other co-operative societies will be excluded from the definition of liabilities.

Clause 7—seeks to omit section 44, as the returns from State or apex co-operative banks, which are now provided for by this section can be obtained under the provisions of section 42 as extended to these banks.

Clauses 8 and 9—provide for the modification of the definition of (*a*) financial institutions and (*b*) non-banking institutions for the purposes of Chapter IIIB of the Reserve Bank of India Act. It is proposed that (*a*) all co-operative banks, (*b*) all agricultural credit societies and (*c*) all primary non-agricultural credit societies which are not co-operative banks should be excluded from the scope of the statutory provisions relating to the Reserve Bank's control over the loan investment or other allied policies of financial and non-banking institutions. Co-operative banks will be effectively controlled in accordance with other provisions which are being made for this purpose in the

Reserve Bank of India Act and the Banking Companies Act and it will not, therefore, be necessary to make any separate provision in regard to them. Agricultural credit societies have been excluded generally from the scope of the various provisions of the present Bill. The working funds and turnover of primary non-agricultural credit societies which are not co-operative banks are relatively insignificant, with the result that the trouble or expense involved in controlling their loans or advances or investment policies may not be worthwhile.

Clauses 10 and 11.—Chapter III provides for the amendments necessary to Banking Companies Act. Clauses 10 and 11 seek to alter the description of this Act and to make certain consequential changes in the long title and the preamble. The Act, it is proposed, should be known in future as the Banking Regulation Act, 1949. This will be appropriate, as its application will not be confined any longer to companies incorporated under the Companies Act and carrying on the business of banking.

Clause 12 provides that the provisions of the Banking Companies Act, 1949 will not be applicable to primary agricultural credit societies and landmortgage banks and that they will be applicable to other co-operative banks only to the extent specified.

Clause 13—seeks to modify, on the analogy of clause 6 of the Bill, the definition of "liabilities in India" in the case of co-operative banks for the purpose of calculating the cash reserve at 3 per cent.

Clause 14— seeks to insert a new section in the Banking Companies Act, 1949 providing for the necessary modifications to the various sections of this Act in their application to or in relation to co-operative banks.

Parts IIA, III and IIIA and such of the provisions in the other Parts of the Act as are relatable either directly or indirectly to the incorporation, management and winding up of co-operative banks are proposed to be omitted, as these Parts or provisions are not in pith and substance within the scope of any entry in the Central or Concurrent List of subjects in the Seventh Schedule to the Constitution.

The other modifications of importance in the provisions of the Banking Companies Act will be as indicated below. The references are to the various clauses of section 56, as proposed to be inserted in the Act,—

(*i*) the operations or working of agricultural credit societies and landmortgage banks, by whatever name called, will continue to be unaffected, as the provisions of the Banking Companies Act, 1949, as renamed will not be applicable to them;

(*ii*) primary non-agricultural credit societies with paid-up capital and reserves of a nominal value of less than Rs. 1 lakh, which according to the definition will not be treated as co-operative banks will be permitted as a special case to carry on the business of banking *i.e.* acceptance of deposits from non-members and the grant of loans and advances, without being required to apply for licences or to comply with any of the other provisions of the Act, [clause (*o*)];

(*iii*) primary non-agricultural credit societies with paid-up capital and reserves of Rs. 1 lakh or more, which by definition are co-operative banks, central co-operative banks and State or apex co-operative banks will be required to apply for licences within a period of three months, and will be permitted to carry on the business of banking, if licences are granted to them, or in the case of such banks which are already in existence, if they are not informed that licences will not be granted for enabling them to continue to carry on the business [clause (*o*)];

(*iv*) primary non-agricultural credit societies, which by definition are co-operative banks, central co-operative banks and State or apex co-operative banks will, once the provisions of the Banking Companies Act have been applied to, or in relation to them, continue to be banks within the meaning of the Act, and if at any time any of these banks ceases to carry on banking business, it may begin to transact such business again, subject to the directions, if any, of the Reserve Bank [clause (*za*)];

(*v*) co-operative societies (other than agricultural credit societies, or landmortgage banks, or primary non-agricultural credit societies, or central co-operative banks or State or apex co-operative banks) will be able to accept deposits from non-members and to grant simultaneously loans and advances in future only for a period of one year from the commencement of the provisions of the present Bill [clause (*o*)];

(*vi*) the investment of the funds of co-operative banks in other co-operative societies will, except in certain specified circumstances, be subject to the approval of the Reserve Bank [clause (*k*)];

(*vii*) central co-operative banks will be enabled, without obtaining the prior permission of the Reserve Bank, to open new branches within the area of their operations [clause (*p*)];

(*viii*) the Reserve Bank will be able to have the inspection of a primary co-operative bank conducted, if necessary, through the State or apex co-operative bank with which that bank is affiliated [clause (*w*)];

(*ix*) primary co-operative banks will be enabled to grant, if necessary, and on terms and conditions which may be approved by the Reserve Bank, unsecured loans to their directors, in circumstances in which such loans may have to be granted for any essential purpose [clause (*l*)];

(*x*) the accounts of the co-operative banks will continue to be closed at the end of the co-operative year, that is on the 30th June [clause (*s*)].

The provisions of the Bankers' Books Evidence Act, 1891 and the Banking Companies (Legal Practitioners' Clients' Accounts) Act, 1949 are proposed to be modified suitably, so that the special procedure as to evidence or the protection in respect of certain accounts may be extended to or be available in future in relation to co-operative banks [clause (*zk*)].

The Third Schedule as proposed to be amended provides for the prescribed Forms in which the balance-sheet and profit and loss accounts of co-operative banks will have to be maintained. The Forms may, if necessary, be modified in future in the light of further experience and in accordance with the procedure which is already prescribed in the Act for this purpose.

MEMORANDUM REGARDING DELEGATED LEGISLATION.

Section 52 of the Banking Companies Act, 1949 as proposed to be extended to co-operative banks provides for the making of rules for carrying out the purposes of the Act in relation to these institutions and for prescribing the details to be included in the returns required to be submitted under the Act and the manner in which the returns should be submitted.

The delegation of legislative powers is of a normal character.

S. L. SHAKDHER,
Secretary.

WD 908—GBPG—5,500—19-10-1966.

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT)

No. LAW 76 LCA 65, Bangalore, dated 2nd November 1965.

Ordered that the Life Insurance Corporation (Amendment) Bill, 1965 (Lok Sabha-Central Bill No. 55 of 1965) which has been published in the *Gazette of India*, Extra-ordinary, Part II, Section 2, dated the 13th September 1965 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
Under Secy. to Govt., *L. D.*

19

LOK SABHA

The following Bill was introduced in Lok Sabha on the 13th September, 1965:—

BILL No. 55 OF 1965

A Bill further to amend the Life Insurance Corporation Act, 1956.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Life Insurance Corporation (Amendment) Act, 1965.

2. *Amendment of section 26.*—In the Life Insurance Corporation Act, 1956 (31 of 1956)—(hereinafter referred to as the principal Act), in section 26, for the words "business of the Corporation, including a valuation of the liabilities of the Corporation", the words "life insurance business of the Corporation, including a valuation of the liabilities of the Corporation in respect thereto" shall be substituted.

3. *Substitution of new section for section 28.*—For section 28 of the principal Act, the following section shall be substituted and shall be deemed always to have been so substituted namely:—

"28. Surplus from life insurance business how to be utilized.—*If as a result of any investigation undertaken by the Corporation under section 26 any surplus emerges, ninety five per cent of such surplus or such higher percentage thereof as the Central Government may approve shall be allocated to or reserved for the life insurance policy holders of the Corporation and after meeting the liabilities of the Corporation, if any, which may arise under section 9, the remainder shall be paid to the Central Government or, if that Government so directs, be utilized for such purposes and in such manner as that Government may determine.*".

4. *Insertion of new section* 28A.—After section 28 of the principal Act, the following section shall be inserted, namely:—

"28A. *Profits from any business (other than life insurance business) how to be utilized.*—If for any financial year profits accrue from any business (other than life insurance business) carried on by the Corporation, then, after making provision for reserves and other matters for which provision is necessary or expedient, the balance of such profits shall be paid to the Central Government.".

STATEMENT OF OBJECTS AND REASONS

Section 28 of the Life Insurance Corporation Act, 1956, provides that where an actuarial valuation under section 26 discloses a surplus, the remainder of the surplus after allocation of not less than 95 per cent. thereof to policy-holders, "may be utilized for such purposes and in such manner as the Central Government may determine". This provision was intended to enable Government to appropriate this portion of the surplus to the Central Government revenue, if they so desired. Accordingly, during each of the last four valuations, a part of the surplus was appropriated to Central revenues. In a recent case, the Supreme Court observed that while the Central Government may determine the manner in which the remainder of the surplus may be utilized, it could not appropriate it as revenue. The amendment, which is retrospective, is designed to give effect to the original intention, while making it clear that the liabilities which devolved on the Corporation under section 9 of the Act but which were not payable out of the Life Insurance Fund would constitute a first charge on the surplus remaining after allocation to policy-holders.

2. Opportunity is taken to clarify that the profits of any insurance business, other than life insurance business, carried on by the Corporation would be payable to Government.

3, The Bill seeks to achieve the above objects.

NEW DELHI; T. T. KRISHNAMACHARI.
The 30th August, 1965.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter dated September 3, 1965 from Shri T. T. Krishnamachari, Minister of Finance to the Secretary, Lok Sabha].

The President having been informed of the subject matter of the Bill further to amend the Life Insurance Corporation Act, 1956 recommends, under clauses (1) and (3) of article 117 of the Constitution, the introduction and consideration of the said Bill in the Lok Sabha during its current Session.

FINANCIAL MEMORANDUM

Clause 3 of the Bill amends with retrospective effect section 28 of the Act to regularise payments hitherto made under the section to the Central Government to the extent that such payments are in excess of the liabilities of the Corporation under section 9. The liabilities under section 9 relate to certain deposits which some erstwhile insurers had collected and which were repayable only out of surpluses disclosed at future valuations. In a recent case, the

Supreme Court has held that such deposits will have to be repaid out of the balances left over after payment to the policy-holders of not lses than ninety-five per cent. of the surpluses disclosed at the valuations of the Corporation. Such deposits together with interest amount to about Rs. 18 lakhs and will have to be repaid out of the Consolidated Fund of India as, in the parts, the balances were appropriated to Central Revenues without meeting such liabilities.

S. L. SHAKDHER,
Secretary.

NOTIFICATION.

(LAW DEPARTMENT)

No. LAW 75 LCA 65, dated Bangalore, 30th October 1965.

Ordered that the Advocates (Amendment) Bill, 1965 (Rajya Sabha-Central Bill No. XIV of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 24th September 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore.

B. RAMACHANDRA RAO,
Under Secy. to Govt., L. D.

17

RAJYA SABHA

The following Bill was introduced in the Rajya Sabha on the 24th September, 1965:—

BILL No. XIV OF 1965

A bill further to amend the Advocates Act, 1961.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. *Short title and commencement.*—This Act may be called the Advocates (Amendment) Act, 1965.

2. *Amendment of section 1.*—In section 1 of the Advocates Act, 1961 (25 of 1961) (hereinafter referred to as the principal Act),—

(*i*) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) It extends to the whole of India.";

(*ii*) in sub-section (3), for the words "shall come into force", the words, brackets and figure "shall, in relation to the territories other than those referred to in sub-section (4), come into force" shall be substituted;

(*iii*) after sub-section (3), the following sub-section shall be inserted, namely :—

"(4) This Act shall, in relation to the State of Jammu and Kashmir and the Union territory of Goa, Daman and Diu and the Union territory of Pondicherry, come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for the said State and the different Union territories and for different provisions of this Act.".

3. *Amendment of section 3.*—In section 3 of the principal Act,—

(*a*) in sub-section (1),—

(*i*) in clause (*a*), for the words "Madhya Pradesh, Madras" the words "Jammu and Kashmir, Madhya Pradesh" shall be substituted;

(*ii*) for clause (*cc*), the following clauses shall be substituted, namely :—

"(*cc*) for the State of Madras and the Union territory of Pondicherry to be known as the Bar Council of Madras;

(*ccc*) for the State of Maharashtra and the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu, to be known as the Bar Council of Maharashtra;";

(*b*) in sub-section (2), in clause (*b*),—

(*i*) after the words "the Bar Council of Assam", the words "the Bar Council of Jammu and Kashmir," shall be inserted;

(*ii*) the words "in accordance with the system of proportional representation by means of the single transferable vote" shall be omitted.

4. *Amendment of section 8.*—Section 8 of the principal Act shall be re-numbered as sub-section (1) thereof, and,—

(*a*) in sub-section (1) as so re-numbered, for the words "one-third" and "every second year", the words "one-half" and "every third year" shall be, and shall be deemed always to have been, respectively substituted; and (*b*) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely :—

"(2) Where, in the case of any State Bar Council, an election has been held, before the commencement of the Advocates (Amendment) Act, 1965, on the expiration of the second year to fill the vacancies caused by the retirement of one-third of its members first elected thereto, then, not withstanding anything contained in sub-section (1), as nearly as possible one-sixth of the members first elected to that Council shall retire on the expiration of the third year in the prescribed manner and the vacancies so caused shall be filled by the election of new members in the prescribed manner and thereafter, the provisions of sub-section (1) shall apply in relation to that Bar Council as they apply in relation to any other Bar Council.".

5. *Amendment of section 16.*—In section 16 of the principal Act, in sub-section (2), for the words "experience and standing at the Bar", the words "standing at the Bar or special knowledge or experience in law" shall be substituted.

6. *Amendment of section 24.*—In section 24 of the principal Act, in clause (*a*) of sub-section (3), the words, figures and letters "before the 31st day of March, 1964" and "then in force" shall be omitted.

7. *Amendment of section 42.*—In section 42 of the principal Act, after sub-section (3) the following sub-section shall be inserted, namely :—

"(4) Notwithstanding the absence of the Chairman or any member of a disciplinary committee on a date fixed for the hearing of a case before it, the disciplinary committee may, if it so thinks fit, hold or continue the proceedings on the date so fixed and no order made by the disciplinary committee in any such proceeding shall be invalid merely by reason of the absence of the Chairman or member thereof on any such date".

8. *Substitution of section 44.*—For section 44 of the principal Act, the following section shall be substituted, namely :—

"44. *Review and reconsidertion of orders by disciplinary committee.*—(*1*) The disciplinary committee of a Bar Council may, of its own motion or otherwise,—

(*i*) review or reconsider any order passed by it under this Chapter, or (*ii*) reconsider any order passed, before the cammencement of this Chapter, by any court or authority in relation to disciplinary proceeding against a person who is enrolled as an advocate under this Act, or who was an advocate under the Indian Bar Councils Act, 1926, (38 of 1926.) and pass such order as it may deem fit and any such order may include a direction for the reinstatement of such person as an advocate:

Provided that no order which prejudicially affects any person shall be passed under this section without giving him an opportunity of being heard.

(2) No order passed by a State Bar Council under sub-section (1) shall have effect unless it has been approved by the Bar Council of India.".

9. *Insertion of new section 46A.*—After section 46 of the principal Act, the following section shall be inserted, namely :—

"46A. *Financial assistance to State Bar Council.*—The Bar Council of India may, if it is satisfied that any State Bar Council is in need of funds for the purpose of performing its functions under this Act, give such financial assistance as it deems fit to that Bar Council by way of grant or otherwise.".

10. *Insertion of new sections 58AA, 58AB and 58AC.*—After section 58A of the principal Act, the following sections shall be inserted, namely :—

"58AA. *Special provision with respect to certain persons migrating to India*.—Notwithstanding the repeal by this Act of the provisions of the Legal Practitioners Act, 1879 (18 of 1879) or of any other law relating to the admission and enrolment of legal practitioners (hereafter in this section referred to as such Act or law), every person who migrates to the territory of India from any area which, before the 15th day of August, 1947 was comprised within India as defined in the Government of India Act, 1935 and who has, before such migration, been a pleader, mukhtar or revenue agent in any such area under any law in force therein, may be admitted and enrolled under the relevant provisions of such Act or law as a pleader, mukhtar or, as the case may be, revenue agent if he—

(a) makes an application for the purpose to the appropriate authority under such Act or law; and

(b) is a citizen of India and fulfils other conditions, if any, specified in this behalf by the appropriate authority aforesaid;

and notwithstanding the repeal by this Act of the relevent provisions of such Act or law, every pleader, mukhtar or revenue agent so enrolled shall have the same rights as respects practice in any court or revenue office or before any other authority or person and be subject to the disciplinary jurisdiction of the same authority to which he would be subject under the relevant provisions of such Act or law as if they had not been repealed and accordingly, those provisions shall have effect in relation to such persons.

Special provisions in relation to certain Union-territories —

58AB (1) Notwithstanding anything contained in this Act all persons who, immediately before the date on which the provisions of Chapter III are brought into force in any Union territory referred to in sub-section (*4*) of section 1, were entitled to practise the profession of law (whether by way of pleading or acting or both) under any law in force in such Union territory or who would have been so entitled had they not been in public service on the said date shall, for the proposes of clause (*a*) of sub-section (*1*) of section 17, be deemed to be persons who were entered as advocates on the roll of a High Court under the Indian Bar Councils Act, 1926, (38 of 1926) and every such person may, on an application made in this behalf within such time as may be specified by the concerned State Bar Council, be admitted as an advocate on the State roll maintained in respect of that Union territory:

Provided that the provisions of this sub-section shall not apply to any person, in the Union territory of Goa, Daman and Diu, who is not a citizen of India on the date of the application aforesaid.

(2) Notwithstanding anything contained in this Act, every person who, immediately before the date on which the provisions of Chapter IV are brought into force in any Union territory referred to in sub-section (4)

of section 1, was practising the profession of law (whether by way of pleading or acting or both or in any other way) by virtue of the provisions of any law in force in such Union territory, who dose not elect to be or is not qualified to be, enrolled as an advocate under sub-section *(1)*, shall, notwithstanding the repeal by this Act of the relevant provisions of such law, continue to enjoy the same rights as respects practice in any court or revenue office or before any authority or person and be subject to the disciplinary jurisdiction of the same authority which he enjoyed, or, as the case may be, to which he was subject, immediately before the said date and accordingly the relevant provisions of the law aforesaid shall have effect in relation to such person as if they had not been repealed.

(3) On the date on which this Act or any part thereof comes into force in any Union territory referred to in sub section *(4)* of section 1, the law in force in that Union territory which corresponds to this Act or such part and which does not stand repealed by virtue of the provisions of section 50 of this Act, shall also stand repealed.

Special provisions in relation to Jammu and Kashmir.—

58AD (1) Notwithstanding anything contained in this Act, all advocates who, immediately before the date on which the provisions of Chapter III are brought into force in the State of Jammu and Kashmir, were entitled to practise in the high Court of that State or who would have been so entitled had they not been in public service on the said date shall, for the purpose of clause *(a)* of sub-section *(1)* of section 17, be deemed to be persons who were entered as advocates on the roll of a High Court under the Indian Bar Councils Act, 1926. (38 of 1926) and every such person may on any application made in this behalf within such time as may be specified by the Bar Council of India, be admitted as an advocate on the State roll maintained in respect of the said State.

(2) Notwithstanding anything contained in this Act every person who, immediately before the date on which the provisions of Chapter III are brought into

force in the State of Jammu and Kashmir, was entitled otherwise than as an advocate to practise the profession of law (whether by way of pleading or acting or both) by virtue of the provisions of any law in force in the said State, or who would have been so entitled had he not been in public service on the said date, may be admitted as an advocate on the State roll maintained in respect of the said State, if he—

(*i*) makes an application for such enrolment in accordance with the provisions of this Act; and

(*ii*) fulfils the conditions specified in clauses (*a*), (*b*), (*e*) and (*f*) of sub-section (*1*) of section 24.

(3) Notwithstanding anything contained in this Act, every person who, immediately before the date on which the provisions of Chapter IV are brought into force in the State of Jammu and Kashmir, was practising the profession of law (whether by way of pleading or acting or both or in any other way) by virtue of the provisions of any law in force therein, who does not elect to be or is not qualified to be enrolled as an advocate under sub-section (1) or sub-section (2) shall notwithstanding the repeal by this Act of the relevant provisions of such law, continue to enjoy the same rights as respects practice in any court or revenue office or before any authority or person and be subject to the disciplinary jurisdiction of the same authority which he enjoyed, or as the case may be, to which he was subject, immediately before the said date and accordingly the relevant provisions of the law aforesaid shall have effect in relation to such person as if they had not been repealed.

(4) On the date on which this Act or any part thereof comes into force in the State of Jammu and Kashmir the law in force in that State which corresponds to this Act or such part thereof which does not stand repealed by virtue of the provisions of section 50 of this Act shall also stand repealed.".

STATEMENT OF OBJECTS AND REASONS

The Advocates Act enacted in May 1961 provides for a unified all-India Bar with one class of legal practitioners, namely, advocates who would be entitled to practise in all the courts in India including the Supreme Court. At present this Act extends to the whole of India except the State of Jammu and Kashmir, the Union territory of Goa, Daman and Diu and the Union territory of Pondicberry. The object underlying the Act cannot be fully achieved unless it extends to those areas also. It is therefore proposed to extend the Act to the whole of India including the aforesaid areas. The Government of Jammu and Kashmir and the Administration of the said Union territories were consulted in regard to this matter and they have agreed to the proposal. It is proposed that the State of Jammu and Kashmir will have a separate Bar Council consisting of fifteen members, while the Union territory of Pondicherry and the Union territory of Goa, Daman and Diu will have common Bar Councils with that of Madras and Maharashtra respectively. The legal practitioners practising in those areas have been given the right to get themselves enrolled as advocates under the Act. If, however, some of the legal practitioners do not get themselves so enrolled as advocates, their existing right will be preserved.

2 Under the existing Act the term of office of elected members of a State Bar Council is six years with one-third of them retiring every second year and the election is held in accordance with the system of proportional representation by means of the single transferable vote. In order to avoid frequent elections involving heavy expenses and for convenience, it is now proposed that election would be held every third year with one-half of the members retiring, and the system of direct election by a simple majority would be adopted.

3. Certain legal practitioners have, on account of disturbances, migrated from Pakistan to India and it is proposed to enable them to carry on their practice of law in India. As some of the State Bar Councils are finding it difficult to carry on their functions with the limited resources at their disposal, the Bar Council of India is being empowered to give financial assistance to any State Bar Council.

4. The working of the Act has revealed certain other difficulties also and opportunity is being taken to remove them by making suitable amendments which are of a minor character.

5. The Bill seeks to achieve the above objects and the notes on clauses appended to the Bill explain the provisions thereof.

NEW DELHI;

The 21st September, 1965. A. K. SEN

Notes on Clauses.

Clause 2.—This clause seeks to extend the Advocates Act to the State of Jammu and Kashmir and to the Union territories of Goa, Daman and Diu and of Pondicherry. The date of commencement of the Act in the said State and the Union territories will be such as may be determined by the Central Government by notification and different dates may be chosen in respect of different areas and for different provisions of this Act. Section 1 has been suitably amended for the purpose.

Clause 3.—Section 3 deals with the constitution of the State Bar Councils. It is proposed to have a separate Bar Council consisting of fifteen members for the State of Jammu and Kashmir while the Union territory of Pondicherry and the Union territory of Goa, Daman and Diu will have common Bar Councils with that of Madras and Maharashtra respectively.

Section 3 (2) (b) provides that the election of the members of the State Bar Councils shall be in accordance with the system of proportional representation by means of the single transferable vote. On the suggestion of the Bar Council of India, it is proposed to substitute this system by the system of direct election by a simple majority as was the case under Section 5 of the Indian Bar Councils Act, 1926. This clause seeks to amend Section 3 for the purposes aforesaid.

Clause 4—Under Section 8 of the Act, the term of office on the elected members of the State Bar Council is six years with one-third of the members retiring on the expiration of every second year. The Bar Council of India has represented that elections to the State Bar Councils involve considerable expenditure and that it may be held every third year instead of every second year with one half of the members retiring. This clause seeks to amend Section 8 to achive the purpose.

Proposed sub-section (2) is consequential in nature and is intended to bring the cases wherein election of one-third of the members has already been held before enforcement of this amending Act, within the purview of the modified provision.

Clause 5.—This clause seeks to amend section 16 of the Act with a view to making it clear that any special knowledge or experience in law will also be taken into account in designating an advocate as senior advocate.

Clause 6.—Section 24 enumerates the persons who may be admitted as advocates and the conditions they should satisfy. In sub-section (3) of that section, which was introduced by Act 21 of 1964, it is provided that a vakil, pleader or mukhtar who has put in three years as such before the 31st March, 1964, may be admitted as an advocate. It now appears that certain Mukhtars and pleaders could not get themselves enrolled in time or have not been able to complete three years of practice before the specified date. This is a very small category of persons and it is considered desirable that they should be made eligible to get themselves enrolled as advocates. This clause seeks to amend sub-section (3) of Section 24 to achieve the purpose.

Clause 7.—The Bar Council of India has represented that it has become difficult to effect speedy disposal of the proceedings before the disciplinary committee due to the absence of one member or other at a hearing. It has been suggested that a suitable provision may be made enabling the disciplinary committee to proceed with the hearing of a case even in the absence of any member thereof. This clause seeks to amend Section 42 for the purpose.

Clause 8.—Section 44 provides for review by the Disciplinary Committee of orders passed by it. It has now been represented that the Bar Councils should have also the power to re-consider any order passed by it. Prior to the commencement of Chapter V of the Act, orders have been passed by the appropriate authorities under the Indian Bar Councils Act, 1926. The Bar Council of India has suggested that they should also have the power to re-consider such orders as well. This clause seeks to modify Section 44 for the purpose. It is also being provided that any order passed under the new Section shall not have effect unless it is approved by the Bar Council of India.

Clause 9.—Certain State Bar Councils have complained that they do not have adequate funds to carry on their functions under the Act. It is, therefore, considered necessary to have a provision enabling the Bar Council of India to give financial assistance to any needy State Bar Council by way of grant or otherwise: This clause seeks to insert new Section 46A for the purpose.

Clause 10.—Certain legal practitioners (pleaders, mukhtars and revenue agents) who, on account of disturbances, have migrated from Pakistan to India are unable to carry on their profession of law in India for want of necessary legal provision in this behalf. It is considered necessary to preserve for them the rights to get enrolled as pleader, mukhtar, revenue agent, as the case may be, under the Legal Practitioners Act, 1879 or other law relating to admission and enrolment of legal practitioners, notwithstanding the repeal of the same by the Advocates Act. New Section 58AA inserted by this clause is intended to achieve the purpose.

With the extension of the Advocates Act to the State of Jammu and Kashmir and the Union territory of Pondicherry and the Union territory of Goa, Daman and Diu, the legal practitioners there have to be given the right to get themselves enrolled as advocates subject to their satisfying certain conditions. The rights of those legal practitioners who do not elect to be enrolled as advocates have also to be preserved. New Sections 58AB and 58AC inserted by this clause are intended to achieve the purpose.

B. N. BANERJEE, Secretary.

NOTIFICATION

(LAW DEPARTMENT).

No. LAW 81 LOA 65, Bangalore, dated 2nd November 1965.

Ordered that the Railways (Employment of Members of the Armed Forces) Bill, 1965 (Central Bill No. 65 of 1965 of LokSabha) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 24th September 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,

Under Secy. to Govt. I/c, L. D.

LOKSABHA

The Following Bills were introduced in Lok Sabha on the 24th September, 1965:—

BILL NO. 65 OF 1965

A bill to make certain provisions relating to the employment of members of the Armed Forces of the Union in the working and management of railways.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. *Short title, extent and commencement.*—(1) This Act may be called the Railways (Employment of Members of the Armed Forces) Act, 1965.

(2) It extends to the whole of India.

(3) It shall come into Force on such date as the Central Government may, by notification in the Official Gazette, appoint

2. *Interpretation.*—Words and expressions used in this Act and defined in the Indian Railways Act, 1890 (9 of 1890), shall have the meanings respectively assigned to them in that Act.

3. *Employment of members of Armed Forces of the Union to assist a railway administration in connection with the service of a railway.*—(1) When any member of the Armed Forces of the Union is employed to assist a railway administration in connection with the service of a railway, then, whether such employment was before or is after the commencement of this Act,—

(*a*) any provision of the Indian Railways Act, 1890 (9 of 1890), or of the rules made thereunder, which confers a power, status or immunity, or imposes a duty or liability, upon a railway servant, in connection with the working, use, management and maintenance of railways shall be construed as conferring the same power, status or immunity or imposing the same duty or liability, as the case may be, upon such member of the Armed Forces of the Union when so employed;

(*b*) the employment of a member of the Armed Forces of the Union, in addition to or in the place of any railway servant, shall not affect any liability that would have attached to the railway administration had such member been a railway servant.

(2) Nothing in sub-section (1) shall be construed as making applicable to the members of the Armed Forces of the Union employed to assist a railway administration the provisions of Chapter VIA of the Indian Railways Act, 1890 (9 of 1890), or as derogating from any provision of a law regulating the governance, control and discipline of the members of the Armed Forces of the Union.

4. *Employment of members of Armed Forces of the Union to replace railway administration in working a railway.*—If at any time the whole of the working, management and maintenance of a railway, or of a specific portion or section of a railway, is assumed by the Armed Forces of the Union, the Central Government may notify the fact of such assumption in the Official Gazette, and thereupon, so long as such assumption continues, the Indian Railways Act, 1890 (9 of 1890), shall cease to be applicable to the Railway or the portion or section of the Railway concerned.

STATEMENT OF OBJECTS AND REASONS

In an emergency, occasions may arise when members of the Armed Forces have to be employed to assist the Railway administration in manning the Railways. The personnel so employed do not, however, fall within the definition of "Railway servants" under the Indian Railways Act, 1890, even while actually working on Railways. It is, therefore, necessary to confer upon the members of the Armed Forces so employed the same powers, status and immunities, and impose upon them the same liabilities, as are applicable to Railway servants under the Indian Railways Act, 1890. Sometimes even the whole of the working, management and maintenance of a Railway or specific portion or section of it, may have to be assumed exclusively by the Armed Forces. During the period of such assumption the Indian Railways Act, 1890 should not apply in respect of the Railway or portion or section of the Railways so taken over. The Bill, which closely follows the provisions contained in Ordinance 53 of 1942 (since repealed by Act 2 of 1948), seeks to achieve the above objects.

NEW DELHI; Y. B. CHAVAN.

The 23rd *September*, 1965.

ERRATUM

The date November 18, 1965, printed at the top of the First page No. G-1 (447) in Part IV-1-A of the *Mysore Gazette* dated 4th November 1965 relating to Delhi Secondary Education Bill, 1964 may kindly be corrected and read as November 4, 1965.

Compiler.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section I-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION

(LAW DEPARTMENT)

No. LAW 23 LCA 65, Bangalore, dated 15th March 1965.

Ordered that the Insecticides Bill, 1964 (30 of 1964) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 16th December 1964, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secretary to Government,
Law Department.

29

RAJYA SABHA

The following Bill was introduced in the Rajya Sabha on the 16th December, 1964:—

BILL NO. XXX OF 1964

A Bill to regulate the import, manufacture, sale, transport, distribution and use of insecticides with a view to prevent risk to human beings or vertebrate animals, and for matters connected therewith.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. *Short title, extent and commencement.*—(*1*) This Act may be called the Insecticides Act, 1964.

(*2*) It extends to the whole of India except the State of Jammu and Kashmir.

(*3*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different States and for different provisions of this Act.

2. *Application of other laws not barred* :—
The provisions of this Act shall be in addition to, and not in derogation of, any other law for the time being in force.

3. *Definitions* :— In this Act, unless the context otherwise requires,—

(*a*) "Board" means the Central Insecticides Board constituted under Section 4;

(*b*) "Central Insecticides Laboratory" means the Central Insecticides Laboratory established, or as the case may be, the institution specified, under Section 16;

(*c*) "import" means bringing into any place within the territories to which this Act extends from a place outside those territories;

(*d*) "insecticide" means—

(*i*) any substance specified in the Schedule; or

(*ii*) such other substances (including fungicides and weedicides) as the Central Government may, after consultation with the Board, by notification in the Official Gazette, include in the Schedule from time to time; or

(*iii*) any preparation containing any one or more of such substances;

(*e*) "Insecticide Analyst" means an Insecticide Analyst appointed under Section 20;

(*f*) "Insecticide Inspector" means an Insecticide Inspector appointed under section 19;

(*g*) "label" means any written, printed or graphic matter on the immediate package and on every other covering in which the package is placed or packed and includes any written, printed or graphic matter accompanying the insecticide:

(*h*) "licensing officer" means a licensing officer appointed under Section 12:

(*i*) "manufacture" in relation to any insecticide includes—

(*i*) any process or part of a process for making, altering, finishing, packing, labelling, breaking up or otherwise treating or adopting any insecticide with a view to its sale, distribution or use but does not include the packing or breaking up of any insecticide in the ordinary course of retail business; and (*ii*) any process by which a preparation containing an insecticide is formulated;

(*j*) "misbranded"—an insecticide shall be deemed to be, misbranded

(*i*) if its label contains any statement, design or graphic representation relating thereto which is false or misleading any material particular, or if its package is otherwise deceptive in respect of its contents; or

(*ii*) if it is an imitation of, or is sold under the name of, another insecticide; or

(*iii*) if its label does not contain a warning or caution which may be necessary and sufficient, if complied with, to prevent risk to human beings or vertebrate animals; or

(*iv*) if any word, statement or other information required by or under this Act to appear on the label is not displayed thereon in such conspicuous manner as the other words, statements, designs or graphic matter have been displayed on the label and in such terms as to render it likely to be read and understood by any ordinary individual under customary conditions of purchase and use; or

(*v*) if it is not packed or labelled as required by or under this Act; or

(*vi*) if it is not registered in the manner required by or under this Act; or

(*vii*) if the label contains any reference to registration other than the registration number; or

(*viii*) if the insecticide has a toxicity which is higher than the level prescribed or contains any substance which is not included in the registration and which is likely to involve risk to human beings or vertebrate animals;

(*k*) "package" means a box, bottle, casket, tin, barrel, case, receptacle, sack, bag, wrapper, or other thing in which an insecticide is placed or packed;

(*l*) "premises" means any shop, stall or place where any insecticide is sold or manufactured or stored or used, and includes any vehicle carrying insecticides;

(*m*) "prescribed" means prescribed by rules made under this Act;

(*n*) "sale", with its grammatical variations and cognate expressions, means the sale of any insecticide, whether for cash or on credit and whether by wholesale or retail, and includes an agreement for sale, an offer for sale, the exposing for sale or having in possession for sale of any insecticide and includes also an attempt to sell any such insecticide;

(*o*) "State Government", in relation to a Union territory, means the administrator thereof;

(*p*) "vertebrate animals" includes fish and fowl;

(*q*) "worker" means a person employed under a contract of service or apprenticeship.

4. *The Central Insecticides Board.*—(*1*) The Central Government shall, as soon as may be, constitute a Board to be called the Central Insecticides Board to advise the Central Government and State Governments on technical matters arising out of the administration of this Act and to carry out the other functions assigned to the Board by or under this Act.

(*2*) The matters on which the Board may advise under sub-section (1) shall include matters relating to

(*a*) the risk to human beings or vertebrate animals involved in the use of insecticides and the safety measures necessary to prevent such risk;

(b) the manufacture, sale, storage, transport, and distribution of insecticides with a view to ensure safety to human beings or vertebrate animals.

(3) The Board shall consist of the following members, namely:—

(i) the Director General of Health Services, *ex officio*, who shall be the Chairman;

(ii) the Drugs Controller, India, *ex officio;*

(iii) the Plant Protection Adviser to the Government of India, *ex officio;*

(iv) the Director of Storage and Inspection, Ministry of Food and Agriculture (Department of Food), *ex officio:*

(v) the Chief Adviser of Factories *ex officio;*

(vi) the Director, Central Institute of Communicable Diseases, *ex officio;*

(vii) the Director, Indian Standards Institution, *ex officio;*

(viii) the Director General of Shipping or, in his absence, the Deputy Director General of Shipping, Ministry of Transport, *ex officio;*

(ix) the Joint Director, Traffic (General), Ministry of Railways (Railway Board), *ex officio;*

(x) the Secretary, Central Committee for Food Standards, *ex officio;*

(xi) one person to represent the Ministry of Industry, to be nominated by the Central Government;

(xii) one pharmacologist to be nominated by the Central Government;

(xiii) one person who shall be in charge of the department dealing with public health in a State, to be nominated by the Central Government ;

(*xiv*) two persons who shall be Directors of Agriculture in States, to be nominated by the Central Government;

(*xv*) two persons one of whom shall be an expert in industrial health and occupational hazards, to be nominated by the Central Government;

(*xvi*) one person to represent the Council of Scientific and Industrial Research, to be nominated by the Central Government.

(*4*) The persons nominated under clauses (*xi*) to (*xvi*) inclusive, of sub-section (*3*) shall, unless their seats become vacant earlier by resignation, death or or otherwise, hold office for three years from the date of their nomination, but shall be eligible for re-nomination:

Provided that the persons nominated under clauses (*xiii*) and (*xiv*) shall hold office only for so long as they hold the appointments by virtue of which their nominations were made.

(*5*) The functions of the Board may be exercised notwithstanding any vacancy therein.

5. *Registration Committee.*—(*1*) The Board shall constitute a Registration Committee consisting of not more than five of its members, including the Drugs Controller, India:

(*i*) to register insecticides after scrutinising their formulæ and verifying claims made by the importer or the manufacturer, as the case may be, as regards their efficacy and safety to human beings and vertebrate animals; and

(*ii*) to perform such other functions as are assigned to it by or under this Act.

(2) The Board shall appoint one of the members of the Committee to be the Chairman thereof.

(3) The Committee may also co-opt such number of experts and for such purpose or period as it may deem fit, but any expert so co-opted shall have no right to vote.

6. *Other committees.*— The Board may appoint such other committees as it deems fit and may appoint to them persons who are not members of the Board, to exercise such powers and perform such duties as may, subject to such conditions, if any, as the Board may impose, be delegated to them by the Board.

7. *Procedure for Board.* The Board may, subject to the previous approval of the Central Government, make by-laws for the purpose of regulating its own procedure and the procedure of any committee thereof and the conduct of all business to be transacted by it or such committee.

8. *Secretary and other officers.*—The Central Government shall—

(*i*) appoint a person to be the Secretary of the Board who shall also function as Secretary to the Registration Committee; and

(*ii*) provide the Board and the Registration Committee with such technical and other staff as the Central Government considers necessary.

9. *Registration of insecticides.*—(*1*) Any person desiring to import or manufacture any insecticide may apply to the Registration Committee for the registration of such insecticide and there shall be a separate application for each such insecticide:

Provided that any person engaged in the business of import or manufacture of any insecticide immediately before the commencement of this section shall make an application to the Registration Committee within a period of six months from the date of such commencement for the registration of any insecticide which he has been importing or manufacturing before that date.

(2) Every application under sub-section (*1*) shall be made in such form and contain such particulars as may be prescribed.

(3) On receipt of any such application for the registration of an insecticide, the Committee may, after such enquiry as it deems fit and after satisfying itself that the insecticide to which the application relates conforms to the claims made by the importer or by the manufacturer, as the case may be, as regards the efficacy of the insecticide and its safety to human beings and vertebrate animals, register, on such conditions and on payment of such fee as may be prescribed, the insecticide, allot a registration number thereto and issue a certificate of registration in token thereof within a period of twelve months from the date of receipt of the application:

Provided that the Committee may, if it is unable within the said period to arrive at a decision on the basis of the materials placed before it, extend the period by a further period not exceeding six months:

Provided further that if the Committee is of opinion that notwithstanding the observance of the precautions claimed by the applicant as being sufficient to ensure safety to human beings or vertebrate animals, the insecticide is likely to involve risk to human beings or vertebrate animals, it may refuse to register the insecticide.

10. *Cancellation of registration*—If at any time after the issue of the certificate of registration under

section 9, the Registration Committee is satisfied that by reason of the technical advancement in the field of insecticides an alternative insecticide but of a lesser toxicity in relation to human beings and vertebrate animals has been developed, it may, after giving notice of its intention so to do and after giving the importer or the manufacturer, as the case may be, a reasonable opportunity of showing cause against the proposed cancellation, cancel the certificate of registration issued in respect of any insecticide:

Provided that the certificate of registration shall not be so cancelled before the expiry of three years from the date of receipt of the notice by the importer or the manufacturer, as the case may be.

11. *Appeal against non-registration or cancellation* Any person aggrieved by a decision of the Registration Committee under section 9 or section 10 may, within a period of thirty days from the date on which the decision is communicated to him, appeal in the prescribed manner and on payment of the prescribed fee to the Central Government whose decision thereon shall be final.

Provided that the Central Government may entertain an appeal after the expiry of the said period, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

12. *Licensing officers.* The State Government may, by notification in the Official Gazette, appoint such persons as it thinks fit to be licensing officers for the purposes of this Act and define the areas in respect of which they shall exercise jurisdiction.

13. *Grant of licence.* (*1*) Any person desiring to manufacture or to sell, stock or exhibit for sale or

distribute any insecticide, may make an application to the licensing officer for the grant of a licence:

Provided that any person engaged in the business of manufacturing or selling, stocking or exhibiting for sale or distributing any insecticide immediately before the commencement of this section shall make an application to the licensing officer for the grant of a licence within a period of three months from the date of such commencement.

(*2*) Every application under sub-section (*1*) shall be made in such form and shall contain such particulars as may be prescribed.

(*3*) On receipt of any such application for the grant of a licence, the licensing officer may grant a licence in such form, on such conditions and on payment of such fee as may be prescribed:

(*4*) A licence granted under this section shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fee as may be prescribed:

Provided that where a licence has been granted to any person who has made an application under the proviso to sub-section (*1*), that licence shall be deemed to be cancelled in relation to any insecticide, the application for registration whereof has been refused or the registration whereof has been cancelled, under this Act, with effect from the date on which such refusal or cancellation is notified in the Official Gazette.

14. *Revocation, suspension and amendment of licences.*--(*1*) If the licensing officer is satisfied, either on a reference made to him in this behalf or otherwise, that--

(*a*) the licence granted under section 13 has been granted because of misrepresentation as to an essential fact: or (*b*) the holder of a licence has failed to comply with the conditions subject to which the licence was granted or has contravened any of the provisions of this Act or the rules made thereunder, then, without prejudice to any other penalty to which the holder of the licence may be liable under this Act, the licensing officer may, after giving the holder of the licence an opportunity of showing cause, revoke or suspend the licence.

(2) Subject to any rules that may be made in this behalf, the licensing officer may also vary or amend a licence granted under section 13.

15. *Appeal against the decision of a licensing officer.* (*1*) Any person aggrieved by a decision of a licensing officer under section 13 [except under the proviso to sub-section (*4*)] or section 14 may, within a period of thirty days from the date on which the decision is communicated to him, appeal to such authority in such manner and on payment of such fee as may be prescribed:

Provided that the appellate authority may entertain an appeal after the expiry of the said period if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(*2*) On receipt of an appeal under sub-section (1), the appellate authority shall, after giving the appellant an opportunity of showing cause, dispose of the appeal as expeditiously as possible and the decision of the appellate authority shall be final.

16. *Central Insecticides Laboratory.* The Central Government may, by notification in the Official Gazette, establish a Central Insecticides Laboratory under the control of a Director to be appointed by the Central Government to carry out the functions entrusted to it by or under this Act:

Provided that if the Central Government so directs by a notification in the official Gazette, the functions of the Central Insecticides Laboratory shall, to such extent as may be specified in the notification, be carried out at any such institution as may be specified therein and thereupon the functions of the Director of the Central Insecticides Laboratory shall to the extent so specified be exercised by the head of that institution.

17 *Prohibition of import and manufacture of certain insecticides.*—*(1)* No person shall, himself or by any person on his behalf, import or manufacture

(*a*) any misbranded insecticide;

(*b*) any insecticide the sale, distribution or use of which is for the time being prohibited under Section 28;

(*c*) any insecticide except in accordance with the conditions on which it was registered;

(*d*) any insecticide in contravention of any other provision of this Act or of any rule made thereunder:

Provided that any person who has applied for registration of an insecticide under the proviso to sub-section (1) of section 9 may continue to import or manufacture any such insecticide and such insecticide shall not be deemed to be a misbranded insecticide within the meaning of sub-clause (*vi*) or sub-clause (*vii*) or sub-clause (*viii*) of clause (*j*) of Section 3, until he has been informed by the Registration Committee of its decision to refuse to register the said insecticide.

(2) No person shall, himself or by any person on his behalf, manufacture any insecticide except under, and in accordance with the conditions of, a licence issued for such purpose under this Act.

18. *Prohibition of sale, etc., of certain insecticides.*—*(1)* No person shall, himself or by any person on his

behalf, sell, stock or exhibit for sale, distribute transport or cause to be used by any worker—

(*a*) any insecticide which is not registered under this Act;

(*b*) any insecticide, the sale, distribution or use of which is for the time being prohibited under section 28;

(*c*) any insecticide in contravention of any other provision of this Act or of any rule made thereunder.

(*2*) No person shall, himself or by any person on his behalf, sell, stock or exhibit for sale or distribute any insecticide except under, and in accordance with the conditions of a licence issued for such purpose under this Act.

Explanation.—For the purposes of this section an insecticide in respect of which any person has applied for a certificate of registration under the proviso to sub-section (1) of section 9, shall be deemed to be registered till the date on which the refusal to register such insecticide is notified in the Official Gazette.

19. Insecticide Analysts.— The Central Government or a State Government may, by notification in the Official Gazette, appoint persons in such number as it thinks fit and possessing such qualifications as may be prescribed to be Insecticide Analysts for such areas and in respect of such insecticides or class of insecticides as may be specified in the notification:

Provided that no person who has any financial interest in the manufacture, import or sale of any insecticide, shall be so appointed.

(20) Insecticide Inspectors.—(*1*) The Central Government or a State Government may, by notification in the Official Gazette, appoint persons in such

number as it thinks fit and possessing such qualification as may be prescribed to be Insecticides Inspectors for such areas as may be specified in the notification:

Provided that any person who does not possess the required qualifications may be so appointed only for the purposes of clause (*a*) and clause (*d*) of sub-section (*1*) of section 21:

Provided further that no person who has any financial interest in the manufacture, import or sale of any insecticide shall be so appointed

(*2*) Every Insecticide Inspector shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (45 of 1860), and shall be officially subordinate to such authority as the Government appointing him may specify in this behalf.

21. Powers of Insecticide Inspectors. — (*1*) An Insecticide Inspector shall have power—

(*a*) to enter and search, at all reasonable times and with such assistance, if any, as he considers necessary, any premises in which he has reason to believe that an offence under this Act or the rules made thereunder has been or is being or is about to be committed, or for the purpose of satisfying himself that the provisions of this Act or the rules made thereunder or the conditions of any certificate of registration or licence issued thereunder are being complied with;

(*b*) to require the production of, and to inspect, examine and make copies of, or take extracts from, registers, records or other documents kept by a manufacturer, distributor, carrier, dealer or any other person in pursuance of the provisions of this Act or the rules made thereunder and seize the same, if he has reason to believe that all or any of them, may furnish evidence of the commission of an offence punishable under this Act or the rules made thereunder;

(*c*) to make such examination and inquiry as he thinks fit in order to ascertain whether the provisions of this Act or the rules made thereunder are being complied with and for that purpose stop any vehicle;

(*d*) to stop the distribution, sale or use of an insecticide which he has reason to believe is being distributed, sold or used in contravention of the provisions of this Act or the rules made thereunder, for a specified period not exceeding twenty days, or unless the alleged contravention is such that the defect may be removed by the possessor of the insecticide, seize the stock of such insecticide;

(*e*) to take samples of any insecticide and send such samples for analysis to the Insecticide Analyst for test in the prescribed manner; and

(*f*) to exercise such other powers as may be necessary for carrying out the purposes of this Act or the rules made thereunder.

(*2*) The provisions of the Code of Criminal Procedure, 1898 (5 of 1898), shall, so far as may be, apply to any search or seizure under this Act as they apply to any search or seizure made under the authority of a warrant issued under Section 98 of the said Code

(*3*) An Insecticide Inspector may exercise the powers of a police officer under section 57 of the Code of Criminal Procedure, 1898, (5 of 1898), for the purpose of ascertaining the true name and residence of the person from whom a sample is taken or an insecticide is seized.

22. *Punishment for vexatious seizure.*–Any Insecticide Inspector exercising powers under this Act or the rules made thereunder who

(*a*) vexatiously and without any reasonable grounds of suspicion seizes any insecticide, or

(*b*) commits any other act to the injury of any person without having any reason to believe that such act is necessary for the execution of his duty,

shall be guilty of an offence under this Act and shall be punishable for such offence with fine which may extend to five hundred rupees.

23. *Procedure to be followed by Insecticide Inspectors.*—(*1*) Where an Insecticide Inspector seizes any record, register or document under clause (*b*) of sub-section (*1*) of Section 21, he shall, as soon as may be, inform a Magistrate and take his orders as to the custody thereof.

(*2*) Where an Insecticide Inspector takes any action under clause (*d*) of sub-section (*1*) of Section 21—

(*a*) he shall use all despatch in ascertaining whether or not the insecticide or its sale, distribution or use contravenes any of the provisions of section 18 and if it is ascertained that the insecticide or its sale, distribution or use does not so contravene, forthwith revoke the order passed under the said clause or, as the case may be, take such action as may be necessary for the return of the stock seized;

(*b*) if he seizes the stock of the insecticide he shall, as soon as may be, inform a Magistrate and take his orders as to the custody thereof;

(*c*) without prejudice to the institution of any prosecution, if the alleged contravention be such that the defect may be remedied by the possessor of the insecticide, he shall, on being satisfied that the defect has been so remedied, forthwith revoke his order and in case where the Insecticide Inspector has seized the stock of insecticide, he shall, as soon as may be, inform a Magistrate and obtain his orders as to the release thereof.

(*3*) Where an Insecticide Inspector takes any sample of an insecticide, he shall tender the fair price thereof and may require a written acknowledgment therefor.

(*4*) Where the price tendered under sub-section (*3*) is refused, or where the Insecticide Inspector seizes the stock of any insecticide under clause (*d*) of sub-section (*1*) of section 21, he shall tender a receipt therefor in the prescribed form.

(*5*) Where an Insecticide Inspector takes a sample of an insecticide for the purpose of test or analysis, he shall intimate such purpose in writing in the prescribed form to the person from whom he takes it and, in the presence of such person unless he wilfully absents himself, shall divide the sample into three portions and effectively seal and suitably mark the same and permit such person to add his own seal and mark to all or any of the portions so sealed and marked:

Provided that where the insecticide is made up in containers of small volume, instead of dividing a sample as aforesaid, the Insecticide Inspector may, and if the insecticide be such that it is likely to deteriorate or be otherwise damaged by exposure shall take three of the said containers after suitably marking the same and, where necessary, sealing them.

(*6*) The Insecticide Inspector shall restore one portion of a sample so divided or one container, as the case may be, to the person from whom he takes it and shall retain the remainder and dispose of the same as follows:—

(*i*) one portion or container, he shall forthwith send to the Insecticide Analyst for test or analysis; and (*ii*) the second, he shall produce to the court before which proceedings, if any, are instituted in respect of the insecticide.

24. *Presons bound to disclose place where insecticides are manufactured or kept.* Every person for the time being in charge of any premises where any insecticide is being manufactured or is kept for sale or distribution shall, on being required by an Insecticide Inspector so to do, be legally bound to disclose to the Insecticide Inspector the place where the insecticide is being manufactured or is kept, as the case may be.

25. *Report of Insecticide Analyst.* (*1*) The Insecticide Analyst to whom a sample of any insecticide has been submitted for test or analysis under sub-section (*6*) of section 23, shall deliver to the Insecticide Inspector submitting it a signed report in duplicate in the prescribed form.

(*2*) The Insecticide Inspector on receipt thereof shall deliver one copy of the report to the person from whom the sample was taken and shall retain the other copy for use in any prosecution in respect of the sample.

(*3*) Any document purporting to be a report signed by an Insecticide Analyst shall be evidence of the facts stated therein, and such evidence shall be conclusive unless the person from whom the sample was taken has within twenty-eight days of the receipt of a copy of the report notified in writing the Insecticide Inspector or the court before which any proceedings in respect of the sample are pending that he intends to adduce evidence in controversion of the report.

(*4*) Unless the sample has already been tested or analysed in the Central Insecticides Laboratory, where a person has under sub-section (*3*) notified his intention of adducing evidence in controversion of the Insecticide Analyst's report, the court may, of its own motion or in its discretion at the request either of the complainant or of the accused, cause the sample of the insecticide produced before the magistrate under sub-section (6) of section 23 to be sent for test or analysis to the said laboratory, which shall make the test or analysis and report in writing signed by, or under the authority of, the Director of the Central Insecticides Laboratory the result thereof, and such report shall be conclusive evidence of the facts stated therein.

(5) The cost of a test or analysis made by the Central Insecticides Laboratory under sub-section (4) shall be paid by the complainant or the accused as the court shall direct.

26. *Confiscation.* Where any person has been convicted under this Act for contravening any of the provisions of this Act or of the rules made thereunder, the stock of the insecticide in respect of which the contravention has been made shall be liable to confiscation.

27. *Notification of poisoning.* The State Government may, by notification in the Official Gazette, require any person or class of persons specified therein to report all occurrences of poisoning (through the use or handling of insecticides) coming within his or their cognizance to such officer as may be specified in the said notification.

28. *Prohibition of use of insecticide for reasons of public safety.* (1) If, on receipt of a report under section 27 or otherwise, the Central Government or the State Government is of opinion that the use of an insecticide is likely to involve such risk to human beings or vertebrate animals as to render it expedient or necessary to take immediate action, then that

Government may, by notification in the Official Gazette, prohibit the sale, distribution or use of such insecticide and for such period as may be specified in the notification pending investigation into the matter.

Provided that where the investigation is not completed within the said period, the Central Government, or the State Government, as the case may be, may extend it by such further period or periods as it may specify in a like manner.

(2) If, as a result of its own investigation or on receipt of the report from the State Government, and after consultation with the Registration Committee, the Central Government is satisfied that the use of the said insecticide is or is not likely to cause any such risk, it may pass such order (including an order refusing to register the insecticide or cancelling the certificate of registration, if any, granted in respect thereof) as it deems fit, depending on the circumstances of the case.

29. *Notification of cancellation of registration, etc.* A refusal to register any insecticide or a cancellation of the certificate of registration of any insecticide shall be notified in the Official Gazette and in such other manner as may be prescribed.

30. *Offences and punishment.* *(1)* Whoever,—

(a) imports, manufactures, sells, stocks or exhibits for sale or distributes any insecticide deemed to be misbranded under sub-clause *(i)* or sub-clause *(iii)* or sub-clause *(viii)* of clause *(j)* of section 3; or

(b) imports or manufactures any insecticide without a certificate of registration; or

(c) manufactures, sells, stocks or exhibits for sale or distributes an insecticide without a licence; or (*d*) sells, distributes or uses an insecticide, in contravention of section 28; or

(*e*) obstructs an Insecticide Inspector in the exercise of his powers or discharge of his duties under this Act or the rules made thereunder:
shall be punishable—

(*i*) for the first offence, with imprisonment for a term which may extend to two years and with fine which may extend to two thousand rupees;

(*ii*) for the second offence, with imprisonment for a term which may extend to three years and with fine;

(*iii*) for the third and a subsequent offence, with imprisonment for a term which may extend to six years and with fine:

Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the court, such imprisonment shall not be for less than—

(*i*) one year for the first offence;

(*ii*) two years for the second offence;

(*iii*) three years for the third and a subsequent offences.

(*2*) Whoever contravenes any of the other provisions of this Act or any rule made thereunder or any condition of certificate of registration or licence granted thereunder, shall be punishable

(*i*) for the first offence, with imprisonment for a term which may extend to two years or with fine, or with both;

(*ii*) for the second and a subsequent offence, with imprisonment for a term which may extend to three years and with fine.

(*3*) If any person convicted of an offence under this Act commits a like offence afterwards it shall be lawful for the court before which the second or subsequent conviction takes place to cause the offender's name and place of residence, the offence and the penalty imposed to be published in such newspapers or in such other manner as the court may direct.

31. *Defences which may or may not be allowed in prosecutions under this Act.*—(*1*) Save as hereinafter provided in this section, it shall be no defence in a prosecution under this Act to prove merely that the accused was ignorant of the nature or quality of the insecticide in respect of which the offence was committed or of the risk involved in the manufacture, sale or use of such insecticide or of the circumstances of its manufacture or import.

(*2*) For the purposes of section 17, an insecticide shall not be deemed to be misbranded only by reason of the fact that—

(*a*) there has been added thereto some innocuous substance or ingredient because the same is required for the manufacture or the preparation of the insecticide as an article of commerce in a state fit for carriage or consumption, and not to increase the bulk, weight or measure of the insecticide or to conceal its inferior quality or other defect; or

(*b*) in the process of manufacture, preparation or conveyance some extraneous substance has unavoidably become intermixed with it.

32. *Cognizance and trial of offences.*—(*1*) No prosecution for an offence under this Act shall be instituted except by, or with the written consent of, the State Government or a person authorised in this behalf by the State Government.

(2) No court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence under this Act.

33. *Magistrate's power to impose enhanced penalties.* Notwithstanding anything contained in section 32 of the Code of Criminal Procedure, 1898, (5 of 1898) it shall be lawful for any presidency magistrate or any magistrate of the first class to pass any sentence under this Act, in excess of his power under section 32 of the said Code.

34. *Offences by companies.*—(*1*) Whenever an offence under the Act has been committed by a company, every person who at the time the offence was committed was in charge of, or was responsible to the company for the conduct of the business of, the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment under this Act if he proves that the offence was committed without his knowledge and that he exercised all due diligence to prevent the commission of such offence.

(*2*) Notwithstanding anything contained in sub-section (*1*), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation. For the purpose of this section,—

(*a*) "company" means any body corporate and includes a firm or other association of individuals; and

(*b*) "director" in relation to a firm, means a partner in the firm.

35. *Power of Central Government to give directions.* The Central Government may give such directions to any State Government as may appear to the Central Government to be necessary for carrying into execution in the State any of the provisions of this Act or of any rule or order made thereunder.

36. *Protection of action taken in good faith.*—No prosecution, suit or other proceeding shall lie against the Government, or any officer of the Government or the Board or any Committee thereof for anything in good faith done or intended to be done under this Act.

37. *Power of Central Government to make rules.*—(*1*) The Central Government may, after consultation with the Board and subject to the condition of previous publication, by notification in the Official Gazette, make rules for the purpose of giving effect to the provisions of this Act:

Provided that consultation with the Board may be dispensed with if the Central Government is of opinion that circumstances have arisen which render it necessary to make rules without such consultation, but in such a case the Board shall be consulted within six months of the making of the rules and the Central Government shall take into consideration any suggestions which the Board may make in relation to the amendment of the said rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may prescribe—

(*a*) the method of packing and labelling;

(*b*) the manner of registration of an insecticide;

(*c*) the functions of the Board;

(*d*) the places at which insecticides may be imported and prohibit their import at any other place;

(*e*) the form of application for registration of an insecticide and the particulars relating thereto;

(*f*) the conditions of registration and the fee payable in respect of registration;

(*g*) the manner of appeal to the Central Government under section 11 and the fee payable therefor;

(*h*) the form of application for the grant of licence and the particulars relating thereto;

(*i*) the form of licence, the conditions attached thereto and the fee payable therefor;

(*j*) the period for which a licence may be renewed and the fee for such renewal;

(*k*) the circumstances in which a licence may be varied or amended under sub-section (*2*) of section 14;

(*l*) the functions of the Central Insecticides Laboratory:

(*m*) the qualifications, powers and duties of an Insecticide Analyst and an Insecticide Inspector;

(*n*) the manner of testing or analysing the samples of any insecticide;

(*o*) the form in which intimation shall be given by an Insecticide Inspector under sub-section (5) of section 23 to a person from whom a sample of an insecticide is taken for test or analysis;

(*p*) the form in which an Insecticide Analyst shall submit a report of his test or analysis to the Insecticide Inspector under sub-section (1) of section 25;

(*q*) the protective clothing and equipment to be used by workers and other facilities to be provided to enable them to keep the things supplied to them free from any contamination;

(*r*) the use by the workers of any such protective clothing, equipment and other facilities;

(*s*) the precautions to be taken against poisoning through the use or handling of insecticides;

(*t*) the measures for detecting and investigating cases in which poisoning has occurred;

(*u*) the facilities to be provided for ensuring first-aid treatment;

(*v*) the instruction and training to be provided regarding the use of things supplied to the workers for ensuring their safety;

(*w*) the facilities for medical examination of workers engaged in the manufacture or handling of insecticides;

(*x*) the conditions to be observed in regard to import, manufacture, sale, transport, distribution, storage or use of an insecticide;

(*y*) the maintenance and inspection of records and returns;

(*z*) the restrictions on storage of insecticides during transport or otherwise along with articles of food;

(*za*) the maximum proportion of any insecticide which may be added to, or contained in, any preparation for domestic use and the restrictions thereon;

(*zb*) the manner in which refusal to register an insecticide or cancellation of certificate of registration thereof may be notified;

(*zc*) the officer or authority to whom the Central Government may delegate any of the powers and functions conferred on it by this Act;

(*zd*) any other matter which has to be, or may be, prescribed.

(3) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

38. Power of the State Government to make rules.— (*1*) The State Government may, after consultation with the Board and subject to the condition of previous publication, by notification in the Official Gazette, make rules for the purpose of giving effect to the provisions of this Act and not inconsistent with the rules, if any, made by the Central Government.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) the authority to which, the manner in which, and the fee on payment of which, an appeal may be filed under section 15 and the procedure to be followed by the appellate authority in disposing of the appeal;

(*b*) the delegation of any of the powers and functions conferred by this Act on the State Government to any officer or authority specified by that Government.

39 Exemption.—The Central Government may, by notification in the *Official Gazette*, and subject to such conditions, if any, as it may specify in such notification, exempt from all or any of the provisions of this Act or the rules made thereunder—

(*a*) any person or class of persons who use any of the insecticides for their own household purposes or horticultural gardens;

(*b*) any insecticide which, in the opinion of that Government, is not highly toxic to the health of human beings or vertebrate animals, if used under proper direction.

THE SCHEDULE

[*See* section 3 (*d*)]

LIST OF INSECTICIDES

Acrylonitrile
Aldrin (1 : 2 : 3 : 4 : 10 : 10-hexachloro-1 : 4 : 4a; 5 : 8; 8a-hexahydro-1 : 4 : 5 : 8-dimethanonaphthalene)
Allethrin (allyl homologue of Cinerein I)
Aluminium Phosphide
Amiton
Antu (Alpha-naphthyl thiourea)
Aramite [2(p-tert-butylphenyxy) ispropyl 1-2 chloroethyl sulphite]
Barium Carbonate
Barium Fluoro Silicate
BHC (Benzene Hexachloride) (1, 2, 3, 4, 5, 6-hexachlorohexane)
Bis-dimethylamino Flourophosphine Oxide
Calcium Arsenate
Calcium Cyanide
Captan (N-trichloromethylmercapto-4-cyclohexane) 1, 2-di-carbox imide
Carbaryl (1-naphtyl-N-methyl carbamate)
Carbon Disulphide
Carbon Tetrachloride
Chlorbenside (p-chlorobenzyl-p-chlorophenyl sulphide)
Chlorbis ethyl amino triazine
Chlordane (1, 2, 3, 4, 5, 6, 7, 8, 8-Octachloro-2, 3, 3a, 4, 7, 7a-hexahydro-4, 7-methanoindane)
Chlorobenzilate (Ethyl 4, 4-dichloro benzilate)
Chlorothion (0, 0-dimethyl-0-3-chloro-4 nitrophenyl thiono phosphate)
Chloro-I.P.C.
Chloropicrin
Chlorofenson (p-chlorophenyl-p-chlorobenze sulphonate)

S-(p-chlorophenylthio) methyl-0-0-diethyly phosphorodithioate (Trithion)
CIPC [isopropyl-N(3-chlophenyl) carbamate]
CMU (Manuron)
Copper Arsenate
Copper Cyanide
Copper Naphthanate
Copper Sulphate
Coumachlor [3-(a-acetonyl-4-chlorobenzyl-4-hydroxy coumarin)]
Copper Oxychloride
Cuprous Oxide
Dalapon (Sodium 2, 2, dichloropropionate)
D-D mixture
DDD (Dichloro Diphenyl Dichloroethane)
DDT [a mixture of 1, 1, 1-trichloro-2, 2,-bis, (p-chlorophenyl) ethane and 1, 1, 1-trichloro-2-(o-chloro phenyl)-2(p-chlorophenyl) ethane]
DDVP (2, 2-dichlorovinyl dimethyl phosphate)
Demeton-O (O, O-diethyl-S[2-(ethylthio)-ethyl) phosphorothioate]
Demeton-S (O, O-diethyl-S[2-(ethylthio)-ethyl) phosphorothioate]
Diazinon (O, O-diethyl-O [2-isopropyl-6-methyl-4-pyrimidinyl] phosphorothioate)
Dibrom (1, 2-dibromo, 2, 2-dichloroethyl dimethyl phosphate)
Dichlorophenoxy acetic acid (2, 4-D)
Dieldrin (1 : 2 : 3 : 4 : 10 : 10-hexachloro-6 : 7-epoxy-1 : 4a : 5 : 6 : 7 : 8 : 8a Octahydro-1 : 4 : 5 : 8-dimethanonaphthalene)
Dimethoate (O, O-dimethyl-S-(N-methylcarbamoyl methyl) phosphorodithioate)
Dipterex (O, O-dimethyl-2, 2, 2-trichloro hydroxy ethyl phosphonate)
DNOC (Dinitro-ortho-compound) (3 : 5-dinitro-o-cresol)
EDCT mixture (Ethylene Dichloride Carbon Tetrachloride mixture)

Ekatin

Endrin (1, 2, 3, 4, 10-10-hexachlore-6, 7-epoxy-1, 4, 4a, 5, 6, 7, 8, 8a-Octahydro-1, 4-endo-endo, 5-8-dimethanonaphthalene)

E.P.N. (O-ethyl-O-p-nitriphenyl benzene thiophosphonate)

Ethyoxy ethyl mercury chloride

Ethyl di-n-propylthiolcarbamate (Eptam)

Ethyl mercury phosphate

Ethyl mercury chloride

Ethylene dibromide

Ethylene dichloride

Fenson (Parachlorophenyl benzene sulphonate)

Fenthion (3-methyl-1-methyl thiophenyl phosphorathionate)

Ferbam (Ferric Dimethyl dithio Carbamate)

Gusathion (O, O-dimethyl S (4-oxo-1, 2, 3-benzotriazinyl-3-methyl) phosphorothioate)

Heptachlor (1, 4, 5, 6, 7, 8, 8-heptachloro-4-7-methano-3a, 4, 7, 7a-tetrahydoindene)

HETP (Hexaethyl tetraphosphate)

Hexachlorobenzene

Hydrogen Cyanide

Hydrogen Phosphide

Lead arsnate

Lime Sulephur (Calcium Polysulphide, water-free Sulphur, calcium thiosulphate mixture)

Lindane (gamma.B.H.C.)

Malathion (S-(1, 2-Bis(ethoxycarbonyl) ethyl) O,O-dimethyl-phosphoro-dithioate)

Maleic hydrazide (1, 2-dihydropyridazine 3, 6-dione)

Maneb (Manganese ethylene bisdithiocarbamate)

MCPA- (4-chloro-2 Methyl phenoxy acetic acid)

Mercuric Chloride

Metaldehyde

Metasystox

Methoxychlor (1, 1, 1-trichloro-2, 2-di-p-methoxyphenylethane

Methoxy ethyl mercury chloride

Methyl bromide
Methyl demeton (Dimeton-methyl and Dimeton-s-Methyl)
Methyl Mercury Chloride
Methyl Parathine (O, O-dimethyl-O-P-nitrophenylthiophosphate)
Metox (Chlorsulphicide)
Nabam (Disodium ethylene-1, 2-bisdithiocarbamate)
Nicotine sulphate
Octa methyl phyrophosphoramide
Para-dichloro benzene
Parathion (O, O-diethyl-O-P-nitrophenylthiophosphate)
Paris Green (Copper Aceto arsenite)
Pentachloronitrobenzene (P.C.N.B.)
Pentachlorophenol
Phenyl mercury acetate
Phenyl mercury chloride
Phenyl mercury urea
Phosdrine
Phthalimidomethyl-O-O-dimethyl phosphorodithioate (Imidan)
Piperonyl butoxide (butyl carbityl) (6-propyl piperonyl) ether O
Pival (2-Pivalyl-indane 1-3-dione)
Potassium Cyanide
n-Propyl ethyl-n-butyl thiolcarbamate (Tillam)
Pyrethrins (insectically active principles of *Chrysanthemum cinerariaefolium*)
Rotenone
Ryania
Sodium fluoroacetate
Sodium cyanide
Sodium Fluoro Silicate
Sulphur (wettable or colloidal sulphur)
Strychnine
Sulphoxide (1, 2-methylene-dioxy-4 (2-octylsulphinyl) propyl benzene)
TCA (trichlor aceti acid sodium and ammonium salts)
Tedion (tetrachlor diphenyl sulphone)

TEPP (tetraethyl Pyrophosphate)
Tetracholoro-p-benzoquinone
Thanite
Thiram (bis (dimethyl Thiocarbamyl) disulphide)
Tolyl mercury acetate
Trichlorphon
Triorthocresyl Phosphate
Thallium sulphate
Thiometon
Toxaphene (chlorinated camphene containing 67-69% chlorine)
Trichlorophenoxy acetic acide (2, 4, 5-T)
Warfarin (3-a-acetonyl benzyl-4-hydroxy-coumarin)
Zinc Phosphide
Zimet
Zineb (Zinc Ethylene bis-dithiocarbamate)
Ziram (Zinc dimethyl-dithiorcarbamate)
Zulate

STATEMENT OF OBJECTS AND REASONS

In the months of April and May, 1958, many persons died in the States of Kerala and Madras as a result of food poisoning arising from contamination of food with a poisonous organo-phosphorus insecticide 'parathion' (Falidol). There were also cases of persons who fell seriously ill though not fatally on account of food poisoning in the same areas. The Government of India appointed the Kerala and Madras Food Poisoning Cases Enpuiry Commission under the Chairmanship of Shri Justice J.C. Shah, then a Judge of the High Court of Bombay and now a Judge of the Supreme Court to inquire into and report on the circumstances in which the food-stuffs came to be contaminated and the measures to be taken against similar occurrences in future.

2. The recommendations of the Enquiry Commission were accepted by the Government. The Government then appointed an Inter-Ministerial Committee to suggest measures to give effect to the recommendations made by the Commission. Accordingly the Inter-Ministerial Committee suggested certain short term and long term measures. The short term measures suggested by the Committee have already been given effect to. The long term measure suggested by the Commission envisaged the enactment of legislation to regulate the manufacture, sale, storage, transport, distribution and use of insecticides including pesticides, herbicides or fungicides in the country.

3. Subsequent to the poisoning cases in 1958 in Kerala and Madras, cases of food poisoning were also reported in 1962 in Malda and Dinajpur Districts of

West Bengal and Assam respectively, as a result of which 450 persons were crippled by paralysis. Contamination of wheat flour with 'Tri-ortho-cresyl phosphate' was the cause of poisoning. Cases of food poisoning were reported in Bombay and in January-February, 1963 as a result of ingestion of rice stored in bags which were reportedly sprayed with 5 per cent Benzene Hexachloride. Reports have also been received about cases of poisoning due to the indiscriminate use of organo-phosphorus compounds like Parathion Malathion, Diazinon, Baytex, etc., which are said to be marketed in concentrated form for extermination of bed bugs. Cases of poisoning resulting from the use of Copper Sulphate among the shoe workers of Agra have also been brought to notice.

4. This Bill follows the recommendations of the Commission referred to in para 2. The salient features of the Bill are as follows:—

(*i*) establishment of a Central Insecticides Board and the setting up of a Committee called the 'Registration Committee' for the purpose of granting certificates of registration to persons desiring to import or manufacture insecticides;

(*ii*) licensing of persons desiring to manufacture, sell or exhibit for sale or distribute any insecticide;

(*iii*) establishment of a Central Insecticide Laboratory for carrying out certain functions under the Act;

(*iv*) prohibition of import, manufacture, sale, etc; of insecticides in contravention of the provisions of the Act;

(*v*) regulation of transport and storage of insecticides so as to prevent cases of accidental contamination of food with insecticides;

(*vi*) provision for taking immediate action by way of prohibition of sale, distribution or use of any insecticide where it is found that the sale, distribution or use of the insecticide is being done in such a way as to involve risk to human beings or vertebrate animals and where immediate action is necessary.

NEW DELHI;
The 4th December, 1964.

SUSHILA NAYAR.

FINANCIAL MEMORANDUM

The scheme of this Bill centres round the registration of insecticides and the system of licensing their manufacture and sale. The establishment of a Central Insecticides Board and a Registration Committee to register the insecticides has been proposed. Whereas the major work of enforcement of the provisions of the proposed Insecticides Bill will have to be undertaken by the State Governments, the Central Government will, *inter alia*, have to carry out the following functions:—

(*i*) Under clause 4 the Central Insecticides Board will have to be appointed to advise the Central and State Governments on technical matters arising out of the administration of the Act and to carry out the other functions assigned to it under this Act.

(*ii*) Under clause 5, a Registration Committee to register insecticides after scrutinising their formulae and their claims as regards efficacy and safety to human beings and vertebrate animals, has to be constituted.

(*iii*) Under clause 16, the Central Government may establish a Central Insecticides Laboratory to carry out the functions assigned to it under the Act or the Central Government may notify any Institution to carry out the functions of the Central Insecticides Laboratory.

(*iv*) Under clause 17, the Central Government shall be required to ensure that no insecticide is imported whose import has been prohibited under this clause.

(*v*) Under clause 19 the Central Government may appoint Insecticides Analysts for testing insecticides.

(*vi*) Under clause 20 the Central Government have been empowered to appoint Insecticide Inspectors with a view to assist the States in the effective enforcement of the provisions of the Act.

(*vii*) Under clause 35 the Central Government has been given powers to give directions to the States for carrying into execution in the States any of the provisions of the Act or of any rule or order made thereunder.

(*viii*) Under clause 37, the Central Government have to frame rules under the various provisions of the Act after consultation with the Central Insecticides Board.

The expenditure of the Central Government for carrying out the above functions is estimated at Rs. 4,50,000 non-recurring and Rs. 2,64,030 recurring. The expenditure will be met from the Consolidated Fund of India.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 37 of the Bill empowers the Central Government to make rules in respect of certain matters such as registration, grant of licence, functions of the Central Insecticides Laboratory, the qualifications, powers and duties of Insecticide Analysts and Inspectors and protective clothing, equipment and other facilities to be made available to the workers.

Likewise, clause 38 empowers the State Government to make rules not inconsistent with the rules made by the Central Government in this behalf.

The matters in respect of which rules may be made are matters of administrative detail and procedure. The delegation of legislative power is, therefore, of a normal character.

B. N. BANERJEE,
Secretary.

WD 956—GBPG—5,600—5-11-1965.

PART IV

Section I-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT.)

No. LAW 78 LOA 65, Bangalore, dated the 29-30th October 1965.

Ordered that the Patents Bill, 1965 (Lok Sabha-Central Bill No. 62 of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 21st September 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
18 *Under Secy. to Govt., L. D.*

LOK SABHA

The following Bill was introduced in Lok Sabha on the 21st September, 1965:—

BILL No. 62 of 1965.

A Bill to amend and consolidate the law relating to patents.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. *Short title, extent and commencement.*—(*1*) This Act may be called the Patents Act, 1965.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Definitions and interpretation.*—(*1*) In this Act, unless the context otherwise requires,—

(*a*) "assignee" includes the legal representative of a deceased assignee, and references to the assignee of any person include references to the assignee of the legal representative or assignee of that person;

(*b*) "Controller" means the Controller General of Patents, Designs and Trade Marks referred to in section 73;

(*c*) "convention application" means an application for a patent made by virtue of section 135;

(*d* "convention country" means a country notified as such under sub-section (1) of section 133;

(*e*) "district court" has the meaning assigned to that expression by the Code of Civil Procedure, 1908 (5 of 1908);

(*f*) "exclusive licence" means a licence from a patentee which confers on the licensee, or on the licensee and persons authorised by him, to the exclusion of all other persons (including the patentee), any right in respect of the patented invention, and "exclusive licensee" shall be construed accordingly;

(*g*) "food" means any substance intended for the use of, or capable of being used by, babies, invalids or convalescents as an article of food or drink, which the Central Government may, by notification in the Official Gazette, specify in this behalf;

(*h*) "Government undertaking" means any industrial undertaking carried on—

(*1*) by a department of the Government, or

(*2*) by a corporation established by a Central, Provincial or State Act, which is owned or controlled by the Government or

(*3*) by a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956);

and includes the Council of Scientific and Industrial Research, any University established by law in India and any other institution for scientific or technical education which is financed wholly or for the major part by the Government;

(*i*) "High Court" means—

(*i*) in relation to the Union territory of Delhi and the Union territory of Himachal Pradesh, the High Court of Punjab;

(*ii*) in relation to the Union territory of Manipur and the Union territory of Tripura, the High Court of Assam;

(*iii* in relation to the Union territory of the Andaman and Nicobar Islands, the High Court at Calcutta;

iv) in relation to the Union territory of the Laccadive, Minicoy and Amindivi Islands, the High Court of Kerala;

v) in relation to the Union territory of Goa, Daman and Diu and the Union territory of Dadra and Nagar-Haveli, the High Court of Bombay;

(*vi*) in relation to the Union territory of Pondicherry, the High Court of Madras; and

(*vii*) in relation to any other State, the High Court for that State;

(*j*) "invention" means any new and useful—

(*i*) art, process, method or manner of manufacture,

(*ii*) machine, apparatus or other article; or

(*iii*) substance produced by manufacture,

and includes any new and useful improvement of any of them, and an alleged invention;

(*k*) "legal representative" means a person who in law represents the estate of a deceased person;

(*l*) "medicine or drug" includes—

(*i*) all medicines for internal or external use of human beings or animals,

(*ii*) all substances intended to be used for or in the diagnosis, treatment, mitigation or prevention of diseases in human beings or animals, (*iii*) all substances intended to be used for or in the maintenance of public health, or the prevention or control of any epidemic disease among human beings or animals,

(*iv*) all chemical substances, to the extent to which they are used as intermediates in the preparation or manufacture of any of the medicines or substances above referred to,

but does not include insecticide, germicide, fungicide or any other substance intended to be used for the protection or preservation of plants;

(*m*) "patent" means a patent granted under this Act;

(*n*) "patented article" and "patented process" mean respectively an article or process in respect of which a patent is in force;

(*o*) "patentee" means the person for the time being entered on the register as the grantee or proprietor of the patent;

(*p*) "patent agent" means a person for the time being registered under this Act as a patent agent;

(*q*) "patent of addition" means a patent granted in accordance with section 54;

(*r*) "patent office" means the patent office established under section 74:

(*s*) "person" includes the Government;

(*t*) "person interested" includes a person engaged in, or in promoting, research in the same field as that to which the invention relates;

(*u*) "prescribed" means, in relation to proceedings before a High Court, prescribed by rules made by the High Court, and in other cases, prescribed by rules made under this Act;

(*v*) "prescribed manner includes the payment of the prescribed fee;

(*w*) "priority date" has the meaning assigned to it by section 11;

(*x*) "register" means the register of patents referred to in section 67;

(*y*) "true and first inventor" does not include either the first importer of an invention into India, or a person to whom an invention is first communicated from outside India.

(2) In this Act, unless the context otherwise requires, any reference—

(*a*) to the Controller shall be construed as including a reference to any officer discharging the functions of the Controller in pursuance of sub-section (2) of section 73;

(*b*) to the patent office shall be construed as including a reference to any branch office of the patent office.

CHAPTER II

INVENTIONS NOT PATENTABLE

3. *What are not inventions.*—The following are not inventions within the meaning of this Act—

(*a*) an invention which is frivolous or which claims anything obviously contrary to well established natural laws;

(*b*) an invention the primary or intended use of which would be contrary to law or morality or injurious to Public health;

(*c*) the mere discovery of a scientific principle or the formulation of an abstract theory;

(*d*) the mere discovery of any new property or new use for a known substance or of the mere new use of a known process, machine or apparatus;

(*e*) a claim to a substance obtained by a mere admixture resulting only in the aggregation of the properties of the components thereof or a process for producing such substance;

(*f*) the mere arrangement or re-arrangement or duplication of known devices each functioning independently of one another in a known way;

(g) a method or process of testing applicable during the process of manufacture for rendering the machine, apparatus or other equipment more efficient or for the improvement or restoration of the existing machine, apparatus or other equipment or for the improvement or control of manufacture;

(h) a method of agriculture or horticulture;

(i) any process for the medicinal, surgical, curative, prophylactic or other treatment of man or any process for a similar treatment of animals or plants to render them free of disease or to increase their economic value or that of their products.

4. *Inventions relating to atomic energy not patentable.*—No patent shall be granted in respect of an invention relating to atomic energy falling within sub-section (1) of section 20 of the Atomic Energy Act, 1962.

5. *Inventions where substances are not patentable but methods or processes may be.*—In the case of inventions—

(a) claiming substances intended for use, or capable of being used, as food or as medicine or drug, or

(b) relating to substances prepared or produced by chemical processes (including alloys, optical glass, semi-conductors and inter-metallic compounds),

no patent shall be granted in respect of claims for the substances themselves, but claims for the methods or processes of manufacture shall be patentable.

CHAPTER III

APPLICATIONS FOR PATENTS

6. *Persons entitled to apply for patents.*—(1) Subject to the provisions contained in section 134, an application for a patent for an invention may be made by any of the following persons, that is to say,—

(a) by any person claiming to be the true and first inventor of the invention;

) by any person being the assignee of the person claiming to be the true and first inventor in respect of the right to make such an application;

(*c*) by the legal representative of any deceased person who immediately before his death was entitled to make such an application.

(2) An application under sub-section (1) may be made by any of the persons referred to therein either alone or jointly with any other person.

7. *Form of application.*—(1) Every application for a patent shall be for one invention only and shall be made in the prescribed form and filed in the patent office.

(2) Where the application is made by virtue of an assignment of the right to apply for a patent for the invention, there shall be furnished with the application or within such period as may be prescribed after the filing of the application—

(*a*) an affidavit by the person claiming to be the true and first inventor or his legal representative stating th he assents to the making of the application; and

(*b*) an affidavit signed by the applicant setting out the facts relied on to support the application.

(3) Every application under this section shall state that the applicant is in pessession of the invention and shall name the owner claiming to be the true and first inventor; and where the person so claiming is not the applicant or one of the applicants' the application, shall contain a declaration that the applicant believes the person so named to be the true and first inventor.

(4) Every such application shall be accompanied by a provisional or a complete specification.

8. *Information and undertaking regarding foreign applications.*—(1) Where an applicant for a patent under this Act is prosecuting either alone or jointly with any other person an application for a patent in any country outside India in respect of the same or substantially the same invention, or where to his knowledge such an application is being prosecuted by some person

through whom he claims or by some person deriving title from him, he shall file along with his application—

(a) a statement setting out the name of the country where the application is being prosecuted, the serial number and date of filing of the application and such other particulars as may be prescribed ; and

(b) an undertaking that, up to the date of the acceptance of his complete specification filed in India, he would keep the Controller informed in writing, from time to time, of details of the nature referred to in clause (a) in respect of every other application relating to the same or substantially the same invention, if any, filed in any country outside India subsequently to the filing of the statement referred to in the aforesaid clause, within eight weeks from the date of the matter coming to his knowledge.

(2) The Controller may also require the applicant to furnish, as far as may be available to the applicant, details relating to the objections, if any, taken to any such application as is referred to in sub-section (1) on the ground that the invention is lacking in novelty or patentability, the amendments effected in the specifications, the claims allowed in respect thereof and such other particulars as he may require.

9. ***Provisional and complete specifications.***—(1) Where an application for a patent (not being a convention application) is accompanied by a provisional specification, a complete specification shall be filed within twelve months from the date of filing of the application, and if the complete specification is not so filed the application shall be deemed to be abandoned :

Provided that the complete specification may be filed at any time after twelve months but within fifteen months from the date aforesaid, if a request to that effect is made to the Controller and the prescribed fee is paid on or before the date on which the complet specification is filed.

(2) Where two or more applications in the name of the same applicant are accompanied by provisional specifications in respect of inventions which are cognate

or of which one is a modification of another and the Controller is of opinion that the whole of such invenetions are such as to constitute a single invention and may properly be included in one patent, he may allow one complete specification to be filed in respect of all such provisional specifications.

(3) Where an application for a patent (not being Convention application) is accompanied by a specification purporting to be a complete specification, the Controller may, if the applicant so requests at any time before the acceptance of the application, direct that such specification shall be treated for the purposes of this Act as a provisional specification and proceed with the application accordingly.

(4) Where a complete specification has been filed in-pursuance of an application for a patent accompanied by a provisional specification or by a specification treated by virtue of a direction under sub-section (3) as a provisional specification, the Controller may, if the applicant so requests at any time before the acceptance of the application, cancel the provisional specificatioe and post-date the application to the date of filing of the complet, specification.

10 *Contents of specifications.*—(1) Every specification whether provisional or complete, shall describe the invention and shall begin with a title sufficiently Indicating the subject-matter to which the invention relates.

(2) Subject to any rules that may be made in this behalf under this Act, drawings may, and shall, if the Controller so requires, be supplied for the purposes of any specification, whether complete or provisional · and any drawings so supplied shall, unless the Controller otherwise directs, be deemed to form part of the specification, and references in this Act to a specification shall be construed accordingly.

(3) If in any particular case the Controller considers that an application should be further supplemented by a model or sample of anything illustrating the invention or alleged to constitute an invention, such model or sample as he may require shall be furnished before the acceptance of the application, but such model or sample shall not be deemed to form part of the specification.

(4) Every complete specification shall—

(a) fully and particularly describe the invention and its operation or use and the method by which it is to be performed;

(b) disclose the best method of performing the invention which is known to the applicant and for which he is entitled to claim protection; and

(c) end with a claim or claims defining the scope of the invention for which protection is claimed.

(5) The claim or claims of a complete specification shall relate to a single invention, shall be clear and succinct and shall be fairly based on the matter disclosed in the specification.

(6) A declaration as to the inventorship of the invention shall, in such cases as may be prescribed, be furnished in the prescribed form with the complete specification or within such period as may be prescribed after the filing of that specification.

(7) Subject to the foregoing provisions of this section, a complete specification filed after a provisional specification may include claims in respect of developments of, or additions to, the invention which was described in the provisional specification, being developments or additions in respect of which the applicant would be entitled under the provisions of section 6 to make a separate application for a patent.

11. Priority dates of claims of a complete specification.— (1) There shall be a priority date for each claim of a complete specification.

(2) Each claim of a complete specification shall indicate the date which the applicant considers to be the priority date of that claim.

(3) Where a complete specification is filed in pursuance of a single application accompanied by —

(a) a provisional specification; or

(b) a specification which is treated by virtue of a direction under sub-section (3) of section 9 as a provisional specification;

and the claim is fairly based on the matter disclosed in the specification referred to in clause (a) or clause (b), the priority date of that claim shall be the date of the filing of the relevant specification.

(4) Where the complete specification is filed or proceeded with in pursuance of two or more applications accompanied by such specifications as are mentioned in sub-section (3) and the claim is fairly based on the matter disclosed—

(a) in one of those specifications, the priority date of that claim shall be the date of filing of the application accompanied by that specification ;

(b) partly in one and partly in another, the priority date of that claim shall be the date of the filing of the application accompanied by the specification of the later date.

(5) Where the complete specification has been filed in pursuance of a further application made by virtue of sub-section *(1)* of section 16 and the claim is fairly based on the matter disclosed in any of the earlier specifications, provisional or complete, as the case may be, the priority date of that claim shall be the date of the filing of that specification in which the matter was first disclosed.

(6) Where, under the foregoing provisions of this section, any claim of a complete specification would, but for the provisions of this sub-section, have two or more priority dates, the priority date of that claim shall be the earlier or earliest of those dates.

(7) In any case to which sub-sections (3), (4), (5) and (6) do not apply, the priority date of a claim shall, subject to the provisions of section 137, be the date of filing of the complete specification.

(8) The reference to the date of the filing of the application or of the complete specification in this section shall in cases where there has been a post-dating under sub-section (2) or sub-section (3) of section 16, be a reference to the date as so post-dated.

(9) A claim in a complete specification of a patent shall not be invalid by reason only of—

(*a*) the publication or use of the invention so far as claimed in that claim on or after the priority date of such claim , or

(*b*) the grant of onother patent which claims the invention, so far as claimed in the first mentioned claim, in a claim of the same or a later priority date.

CHAPTER IV

EXAMINATION OF APPLICATIONS

12. *Examination of* ***applications***.—When the complete specification has been filed in respect of an application for a patent, the application and the specification relating thereto shall be referred by the Controller to an examiner for making a report to him in respect of the following matters, namely:—

(*a*) whether the application and the specification relating thereto are in accordance with the requirements of this Act and of any rules made thereunder;

(*b*) whether there is any lawful ground of objection to the grant of the patent under this Act in pursuance of the application;

(*c*) the result of investigations made under Section 13;

(*d*) whether the priority date of each claim as indicated by the applicant is the priority date of that claim as determined by this Act; and

(*e*) any other matter which may be prescribed.

13. Search for anticipation by previous publication and by prior claim.—(*1*) *The examiner to whom an application for a patent is referred under section 12 shall make investigation for the purpose of ascertaining whether the invention so ,far as claimed in any claim of the complete specification—*

(*a*) *has been anticipated by publication before the date of filing of the applicant's complete specification in any specification filed in pursuance of an application for a patent made in India and dated on or after the 1st day of January, 1912;*

(*b*) *is claimed in any claim or any other complete specification published on or after the date of filing of the applicant's complete specification, being a specification filed in pursuance of an application for a patent made in India and dated before or claiming the priority date earlier than that date.*

(*2*) *The examiner shall, in addition, make such investigation as the Controller may direct for the purpose of ascertaining whether the invention, so far as claimed in any claim of the complete specification, has been anticipated by publication in India or elsewhere in* *any document other than those mentioned in sub-section (1) before the date of filing of the applicant's complete specification.*

(3) Where a complete specification is amended under the provisions of this Act before it has been accepted, the amended specification shall be examined and investigated in like manner as the original specification.

(4) The examination and investigations required under section 12 and this section shall not be deemed in any way to warrant the validity of any patent, and no liability shall be incurred by the Central Government or any officer thereof by reason of, or in connection with, any such examination or investigation or any report or other proceedings consequent thereon.

14. *Consideration of report of examiner by Controller.*—Where, in respect of an application for a patent, the report of the examiner received by the Controller is adverse to the applicant or requires any amendment of the application or of the specification to ensure compliance with the provisions of this Act or of the rules made thereunder, the Controller, before proceeding to dispose of the application in accordance with the provisions hereinafter appearing, shall communicate the gist of the objections to the applicant and shall, if so required by the applicant within the prescribed time, give him an opportunity of being heard.

15. ***Power of Controller to refuse or require amended applications in certain cases.***—(1) Where the Controller is satisfied that the application or any specification filed in pursuance thereof does not comply with the requirements of this Act or of any rules made thereunder, the Controller may either—

(*a*) refuse to proceed with the application; or

(*b*) require the application, specification or drawings to be amended to his satisfaction before he proceeds with the application.

(2) If it appears to the Controller that—

(a) the application claiming to be a convention application was filed in contravention of the provisions of Chapter XXII, or

(*b*) the invention claimed in the specification is not an invention within the meaning of, or is not patentable under; this Act

he shall refuse the application.

(3) If it appears to the Controller that any invention in respect of which an application for a patent is made might be used in any manner contrary to law, he may refuse the application, unless the specification is amended by the insertion of such disclaimer in respect of that use of the invention, or such other reference to the illegality thereof, as the Controller thinks fit.

16. *Power of Cotroller to make orders respecting division of application.* (1)—A person who has made an application for a patent under this Act may, at any time before the acceptance of the complete specification, if he so desires, or with a view to remedy the objection raised by the Controller on the ground that the claims of the complete specification relate to more than one invention, file a further application in respect of an invention disclosed in the provisional or complete specification already filed in respect of the first mentioned application.

(2) The further application under sub-section (1) shall be accompanied by a complete specification, but such complete specification shall not include any matter not in substance disclosed in the complete specification filed in pursuance of the first mentioned application.

(3) The Controller may require such amendment of the complete specification filed in pursuance of either the original or the further application as may be necessary to ensure that neither of the said complete specifications includes a claim for any matter claimed in the other.

Explanation.—For the purposes of this Act, the further application and the complete specification accompanying it shall be deemed to have been filed on the date on which the complete specification in pursuance of the first mentioned application had been filed, and the further application shall, subject to the determination of the priority date under sub-section (5) of section 11, be proceeded with as a substantive application.

17. *Power of Controller to make orders respecting dating of application.* (1)—Subject to the provisions of section 9, at any time after the filing of an application and before acceptance of the complete specification under this Act, the Controller may, at the request of the applicant made in the prescribed manner, direct that the application shall be post-dated to such date as may be specified in the request, and proceed with the application accordingly:

Provided that no application shall be post-dated under this sub-section to a date later than six months from the date on which it was actually made or would, but for the provisions of this sub-section, be deemed to have been made.

(2) Where an application or specification (including drawings) is amended in pursuance of the directions of the Controller under sub-section (1) of section 15, the application or specification shall, if the Controller so directs, be deemed to have been made on the date on which the requirement is complied with or where the application or specification is returned to the applicant, on the date on which it is re-filed after complying with the requirement.

18. *Powers of Controller in cases of anticipation.* (1)—Where it appears to the Controller that the invention so far as claimed in any claim of the complete specification has been anticipated in the manner referred to in clause (a) of sub-section (1) or sub-section (2) of section 13, he may refuse to accept the complete specification unless the applicant—

(*a*) shows to the satisfaction of the Controller that the priority date of the claim of his complete specification is not later than the date on which the relevant document was pudlished; or

(*b*) amends his complete specification to the satisfaction of the Controller.

(2) If it appears to the Controller that the invention is claimed in a claim of any other complete specification referred to in clause (b) of sub-section (1) of section 13, he may, subject to the provisions hereinafter contained, direct that a reference to that other specification shall be inserted by way of notice to the public in the applicant's complete specification unless within such time as may be prescribed,—

(a) the applicant shows to the satisfaction of the Controller that the priority date of his claim is not later than the priority date of the claim of the said other specification; or

(b) the complete specification is amended to the satisfaction of the Controller.

(3) If it appears to the Controller, as a result of an investigation under section 13 or otherwise,—

(a) that the invention so far as claimed in any claim of the applicant's complete specification has been claimed in any other complete specification referred to in clause (a) of sub-section (1) of section 13; and

(b) that such other complete specification was published on or after the priority date of the applicant's claim;

then, unless it is shown to the satisfaction of the Controller that the priority date of the applicant's claim is not later than the priority date of the claim of that specification, the provisions of sub-section (2) shall apply thereto in the same manner as they apply to a specification published on or after the date of filing of the applicant's complete specification.

(4) Any order of the Controller under sub-section (2) or sub-section (3) directing the insertion of a reference to another complete specification shall be of no effect ueless and until the other patent is granted.

19 *Powers of Controller in case of potential infringement.*—(1) If, in consequence of the investigations required by the foregoing provisions of this Act or of proceedings under section 25, it appears to the Controller that an invention in respect of which an application for a patent has been made cannot be performed without substantial risk of infringement of a claim of any other patent, he may direct that a reference to that other patent shall be inserted in the applicant's complete specification by way of notice to the public, unless within such time as may be prescribed—

(*a*) the applicant shows to the satisfaction of the Controller that there are reasonable grounds for contesting the validity of the said claim of the other patent; or

(*b*) the complete specification is amended to the satisfaction of the Controller.

(2) Where, after a reference to another patent has been inserted in a complete specification in pursuance of a direction under sub-section (1)—

(*a*) that other patent is revoked or otherwise ceases to be in force; or

(*b*) the specification of that other patent is amended by the deletion of the relevant claim; or (*c*) it is found, in proceedings before the court or the Controller, that the relevant claim of that other patent is invalid or is not infringed by any working of the applicant's invention;

the Controller may, on the application of the applicant, delete the reference to that other patent.

20. *Powers of Controller to make orders regarding substitution of applicants, etc.*—(1) If the Controller is satisfied, on a claim made in the prescribed manner at any time before a patent has been granted, that by virtue of any assignment or agreement in writing made by the applicant or one of the applicants for the patent or by operation of law, the claimant would, if the patent were then granted, be entitled thereto or to the interest of the applicant therein, or to an undivided share of the patent or of that interest, the Controller may, subject to the provisions of this section, direct that the application shall proceed in the name of the claimant or in the names of the claimants and the applicant or the other joint applicant or applicants, accordingly as the case may require.

(2) No such direction as aforesaid shall be given by virtue of any assignment or agreement made by one of two or more joint applicants for a patent except with the consent of the other joint applicant or applicansts.

(3) No such direction as aforesaid shall be given by virtue of any assignment or agreement for the assignment of the benefit of an invention unless—

(*a*) the invention is identified therein by reference to the number of the application for the patent; or

(*b*) there is produced to the Controller an acknowledgment by the person by whom the assignment or agreement was made that the assignment or agreement relates to the invention in respect of which that application is made; or

(c) the rights of the claimant in respect of the invention have been finally established by the decision of a court; or

(*d*) the Controller gives directions for enabling the application to proceed or for regulating the manner in which it should be proceeded with under sub-section (5).

(4) Where one of two or more joint applicants for a patent dies at any time before the patent has been granted, the Controller may, upon a request in that behalf made by the survivor or survivors, and with the consent of the legal representative of the deceased, direct that the application shall proceed in the name of the survivor or survivors alone.

(5) If any dispute arises between joint applicants for a patent whether or in what manner the application should be proceeded with, the Controller may, upon application made to him in the prescribed manner by any of the parties, and after giving to all parties concerned an opportunity to be heard, give such directions as he thinks fit for enabling the application to proceed in the name of one or more of the parties alone or for regulating the manner in which it should be proceeded with, or for both those purposes, as the case may require.

21. *Time for putting application in order for acceptance.* (*1*)—An application for a patent shall be deemed to have been abandoned unless within fifteen months from the date on which the first statement of objections to the application or complete specification is forwarded by the Controller to the applicant or within such longer period as may be allowed under the following provisions of this section the applicant has complied with all the requirements imposed on him by or under this Act, whether in connection with the complete specification or otherwise in relation to the application.

Explanation.—Where the application or any specification or, in the case of a convention application, any document filed as part of the application has been returned to the applicant by the Controller in the course of the proceedings, the applicant shall not be deemed to have complied with such requirements unless and until he has re-filed it.

(2) The period allowed by sub-section (1) shall be extended by the controller to such period not exceeding eighteen months from the date on which the objections referred to in sub-section (1) are forwarded to the applicant, if the applicant makes an application in this behalf in the prescribed manner before the expiration of the period so specified.

(3) If, at the expiration of the period allowed under the foregoing provisions of this section an appeal to the High Court is pending in respect of the application (or, in the case of an application

for a patent of addition, either in respect of that application or in respect of the application for the patent for the main invention) or the prescribed time within which such an appeal could be filed in High Court (apart from any future extension of time granted by the Court for filing the appeal) has not expired, then—

(*a*) Where such appeal is pending, or is brought within the aforesaid period of fifteen or eighteen months, as the case may be or before the expiration of any extension of that time granted by the High Court (in the case of a first extension) on an application made within that time or (in the case of a subsequent extension) on an application made before the expiration of the last previous extension, the said period of fifteen or eighteen months, as the case may be, for complying with the requirements of the Controller shall be extended until such date as the High Court may determine;

(*b*) Where no such appeal is pending or is so brought, the said period of fifteen or eighteen months, as the case may be, for complying with the requirements of the Controller shall continue until the end of the time aforesaid or, if any extension of that time is granted by the High Court as aforesaid, untill the expiration of the extension or last extension so granted.

22. *Acceptance of complete specification.*—Subject to the provisions of section 21, the complete specification filed in pursuance of an application for a patent may be accepted by the Controller at any time after the applicant has complied with the requirements mentioned in sub-section (1) of that section, and, if not so accepted within the period allowed under that section for compliance with those requirements, shall be accepted as soon as may be thereafter:

Provided that the applicant may make an application to the Controller in the prescribed manner requesting him to postpone acceptance until such date (not being later than eighteen months from the date on which the objections referred to in sub-section (2) of section 21 are forwarded to the applicant) as may be specified in the application, and, if such application is made, the Controller may postpone acceptance accordingly.

23. *Advertisement of acceptance of complete specification.*—On the acceptance of a complete specification, the Controller shall give notice thereof to the applicant and shall advertise in the Official

Gazette the fact that the specification has been accepted, and thereupon the application and the specification with the drawings (if any) filed in pursuance thereof shall be open to public inspection.

24. *Effect of acceptance of complete specification.*—On and from the date of advertisement of acceptance of a complete specification and until the date of sealing of a patent in respect thereof, the applicant shall have the like privileges and rights as if a patent for the invention had been sealed on the date of advertisement of acceptance of the complete specification:

Provided that the applicant shall not be entitled to institute any proceedings for infringement until the patent has been sealed.

CHAPTER V

OPPOSITION TO GRANT OF PATENT

25. *Opposition to grant of patent.*—(1) At any time within four months from the date of advertisement of the acceptance of a complete specification under this Act (or within such further period not exceeding one month in the aggregate as the Controller may allow on application made to him in the prescribed manner before the expiry of the four months aforesaid) any person interested may give notice to the Controller of opposition to the grant of the patent on any of the following grounds namely:—

(a) that the applicant for the patent or the person under or through whom he claims, wrongfully obtained the invention or any part thereof from him or from a person of whom he is the legal representative;

(b) that the invention so far as claimed in any claim of the complete specification has been published before the priority date claimed—

  (i) in any specification filed in pursuance of an application for a patent made in India on or after the 1st day of January, 1912; or

  (ii) in India or elsewhere, in any other document, not being a document of the class described in sub-section (2) or sub-section (3) of section 29;

(c) that the invention so far as cliamed in any claim of the complete specification is claimed in a claim of a complete specification published on or after the priority date of the applicant's claim and filed in pursuance of an application for a patent in India, being a claim of which the priority date is earlier than that of the applicant's claim;

d) that the invention so far as claimed in any claim of the complete specification was used in India before the priority date of that claim.

Explanation.—For the purposes of this clause, an invention relating to a process for which a patent is claimed shall be deemed to have been used in India before the priority date of the claim if a product made by that process had already been imported into India before that date

(e) that the invention so far as claimed in any claim of the complete specification is obvious and clearly does not involve any inventive step, having regard to the matter published as mentioned in clause (b) or having regard to what was used in India before the priority date of the applicant's claim;

(f) that the subject of any claim of the complete specification is not an invention within the meaning of this Act or is not patentable under this Act;

(g) that the complete specification does not sufficiently and clearly describe the invention or the method by which it is to be performed;

(h) that the applicant has failed to disclose to the Controller the information requird by section 8 or has furnished the information which in any material particular was false to his knowledge;

(i) that in the case of a convention application, the application was not made withn, twelve months from the date of the first application for protections for the invention made in a convention country by the applicant or a person from whom he derives title ;

but on no other ground.

(2) Where any such notice of opposition is duly given, the Controller shall notify the applicant and shall give to the applicant and the opponent an opportunity to be heard before deciding the case.

(3) The grant of a patent shall not be refused on the ground stated in clause (c) of sub-section (1) if no patent has been granted

in pursuance of the application mentioned in that clause ; and for the purpose of any inquiry under clause (d) or clause (e) of that sub-section, no account shall be taken of any secret use.

26. *In cases of "Obtaining" Controller may treat application as application of opponent.*—(1) Where in any opposition proceeding under this Act—

(a) the Controller finds that the invention, so far as calimed in any claim of the complete specification, was obtained from the opponent in the manner set out in clause (a) of sub-section (1) of section 25 and refuses the application on that ground, he may, on request by such opponent made in the prescribed manner, direct that the application shall proceed in the name of the opponent as if the application and the specification had been filed by the opponent on the date on which they were actually filed;

(b) the Controller finds that a part of an invention described in the complete specification was so obtained from the opponent and passes an order requiring that the specification be amended by the exclusion of that part of the invention, the opponent may, subject to the provisions of sub-section (2), file an application in accordance with the provisions of this Act accompained by a complete specification for the grant of a patent for the invention so excluded from the applicant's specification, and the Controller may treat such application and specification as having been filed, for the purposes of this Act relating to the priority dates of claims of the complete specification, on the date on which the corresponding document was or was deemed to have been filed by the earlier applicant, but for all other purposes the application of the opponent shall be proceeded with as an application for a patent under this Act.

(2) Where an opponent has, before the date of the order of the Controller requiring the amendment of a complete specification referred to in clause (b) of sub-section (1), filed an application for a patent for an invention which includes the whole or a part of the invention held to have been obtained from him and such application is pending, the Controller may treat such application and specification in so far as they relate to the invention held to have been obtained from him, as having been filed, for purposes of

this Act, relating to the priority dates of claims of the complete specification on the date on which the corresponding document was or was deemed to have been filed by the earlier applicant, but for all other purposes the application of the opponent shall be proceeded with as an application for a patent under this act.

27. *Refusal of patent without opposition.*—If at any time after the acceptance of the complete specification filed in pursuance of an application for a patent and before the grant of a patent thereon it comes to the notice of the Controller otherwise than in consequence of procedings in opposition to the grant under section 25, that the invention, so far as claimed in any claim of the complete specification, has been published in India or any other country before the priority date of the claim—

(*a*) in any specification filed in pursuance of an application for a patent made in India and dated on or after the 1st day of January, 1912;

(*b*) in any other document in India or elsewhere not being a document of the class described in sub-section (2) or sub-section (3) of section 29;

the Controller may refuse to grant the patent unless, within such time as may be prescribed, the complete specification is amended to his satisfaction.

28. *Mention of inventor as such in patent.*—(*1*) If the Controller is satisfied, upon a request or claim made in accordance with the provisions of this section,—

(*a*) that the person in respect of or by whom the request or claim is made is the inventor of an invention in respect of which application for a patent has been made, or of a substantial part of that invention; and

(*b*) that the application for the patent is a direct consequence of his being the inventor;

the Controller shall, subject to the provisions of this section, cause him to be mentioned as inventor in any patent granted in pursuance of the application in the complete specification and in the register of patents:

Provided that the mention of any person as inventor under this section shall not confer or derogate from any rights under the patent.

(2) A request that any person shall be mentioned as aforesaid may be made in the prescribed manner by the applicant for the patent or (where the person alleged to be the inventor is not the applicant or one of the applicants) by the applicant and that person.

(3) If any person [other than a person in respect of whom a request in relation to the application in question has been made under sub-section (2)] desires to be mentioned as aforesaid, he may make a claim in the prescribed manner in that behalf.

(4) A request or claim under the foregoing provisions of this section shall be made not later than two months after the date of advertisement of acceptance of the complete specification or within such further period (not exceeding one month) as the Controller may, on an application made to him in that behalf before the expiration of the said period of two months and subject to the payment of the prescribed fee, allow.

(5) No request or claim under the foregoing provisions of this section shall be entertained if it appears to the Controller that the request or claim is based upon facts which, if proved in the case of an opposition under the provisions of clause (*a*) of sub-section (*1*) of section 25 by the person in respect of or by whom the request or claim is made, would have entitled him to relief under that section.

(6) Subject to the provisions of sub-section (*5*), where a claim is made under sub-section (*3*), the Controller shall give notice of the claim to every applicant for the patent (not being the claimant) and to any other person whom the Controller may consider to be interested; and before deciding upon any request or claim made under sub-section (*2*) or sub-section (*3*), the Controller shall, if required, hear the person in respect of or by whom the request or claim is made, and, in the case of a claim under sub-section (*3*), any person to whom notice of the claim has been given as aforesaid.

(7) Where any person has been mentioned as inventor in pursuance of this section, any other person who alleges that he ought not to have been so mentioned may at any time apply to the Controller for a certificate to that effect, and the Controler may, after hearing, if required, any person whom he may consider to be interested, issue such a cerificate, and if he does so, he shall rectify the specification and the register accordingly.

CHAPTER VI

ANTICIPATION

29. *Anticipation by previous publication.*—(*1*) An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that the invention was published in a specification filed in pursuance of an application for a patent made in India and dated before the 1st day of January, 1912.

(*2*) Subject as hereinafter provided, an invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that the invention was published before the priority date of the relevant claim of the specification, if the patentee or the applicant for the patent proves—

(*a*) that the matter published was obtained from him, or (where he is not himself the true and first inventor) from any person from whom he derives title, and was published without his consent or the consent of any such person ; and

(*b*) where the patentee or the applicant for the patent or any person from whom he derives title learned of the publication before the date of the application for the patent, or, in the case of a convention application, before the date of the application for protection in a convention country, that the application or the application in the convention country, as the case may be, was made as soon as reasonably practicable thereafter :

Provided that this sub-section shall not apply if the invention was before the priority date of the claim commercially worked in India, otherwise than for the purpose of reasonable trial, either by the patentee or the applicant for the patent or any person from whom he derives title or by any other person with the consent of the patentee or the applicant for the patent or any person from whom he derives title.

(3) Where a complete specification is filed in pursuance of an application for a patent made by a person being the true and first inventor or deriving title from him, an invention claimed in that specification shall not be deemed to have been anticipated by reason only of any other application for a patent in respect of the same invention made in contravention of the rights of that person, or by reason only that after the date of filing of that other application the invention was used or published, without the consent of

that person, by the applicant in respect of that other application, or by any other person in consequence of any disclosure of any invention by that applicant.

30. *Anticipation by previous communication to Government.*—An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only of the communication of the invention to the Government or to any person authorised by the Government to investigate the invention or its merits, or of anything done, in consequence of such a communication, for the purpose of the investigation.

31. *Anticipation by public display, etc.*—An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only of—

(*a*) the display of the invention with the consent of the true and first inventor at an industrial or other exhibition to which the provisions of this section have been extended by the Central Government by notification in the Official Gazette, or the use thereof with his consent for the purpose of such an exhibition in the place where it is held; or

(*b*) the publication of any description of the invention in consequence of the display or use of the invention at any such exhibition as aforesaid; or

(*c*) the use of the invention, after it has been displayed or used at any such exhibition as aforesaid and during the period of the exhibition, by any person without the consent of the true and first inventor; or

(*d*) the description of the invention in a paper read by the true and first inventor before a learned society or published with his consent in the transactions of such a society;

if the application for the patent is made by the true and first inventor or a person deriving title from him not later than six months after the opening of the exhibition or the reading or publication of the paper, as the case may be.

32. *Anticipation by public working.*—An invention claimed in a complete specification shall not be deemed to have been anticipated by reason only that at any time within one year before

the priority date of the relevant claim of the specification, the invention was publicly worked in India—

(*a*) by the patentee or applicant for the patent or any person from whom he derives title ; or

(*b*) by any other person with the consent of the patentee or applicant for the patent or any person from whom he derives title ;

if the working was effected for the purpose of reasonable trial only and if it was reasonably necessary, having regard to the nature of the invention, that the working for that purpose should be effected in public.

33. *Anticipation by use and publication after provisional specification.*—(1) Where a complete specification is filed or proceeded with in pursuance of an application which was accompanied by a provisional specification or where a complete specification filed along with an application is treated by virtue of a direction under sub-section (3) of section 9 as a provisional specification, then, notwithstanding anything contained in this Act, the Controller shall not refuse to grant the patent, and the patent shall not be revoked or invalidated, by reason only that any matter described in the provisional specification or the specification treated as aforesaid as a provisional specification was used in India or published in India or elsewhere at any time after the date of the filing of that specification.

(2) Where a complete specification is filed in pursuance of a convention application, then, notwithstanding anything contained in this Act, the controller shall not refuse to grant the patent, and the patent shall not be revoked or invalidated, by reason only that any matter disclosed in any application for protection in a convention country upon which the convention application is founded was used in India or published in India or elsewhere at any time after the date of that application for protection.

34. *No anticipation if circumstances are only as described in sections 29, 30, 31 and 32.*—Notwithstanding anything contained in this Act, the Controller shall not refuse to accept a complete specification for a patent or to grant a patent, and a patent shall not be revoked or invalidated by reason only of any circumstances which, by virtue of section 29 or section 30 or section 31 or section 32, do not constitute an anticipation of the invention claimed in the specification.

CHAPTER VII

PROVISIONS FOR SECRECY OF CERTAIN INVENTIONS

35. *Secrecy directions relating to inventions relevant for defence purposes.*—(*1*) Where, in respect of an application made before or after the commencement of this Act for a patent, it appears to the Controller that the invention is one of a class notified to him by the Central Government as relevant for defence purposes, or, where otherwise the invention appears to him to be so relevant, he may give directions for prohibiting or restricting the publication of information with respect to the invention or the communication of such information to any person or class of persons specified in the directions.

(2) Where the Controller gives any such directions as are referred to in sub-section (1), he shall give notice of the application and of the directions to the Central Government, and the Central Government shall, upon receipt of such notice, consider whether the publication of the invention would be prejudicial to the defence of India, and if upon such consideration, it appears to it that the publication of the invention would not so prejudice, give notice to the Controller to that effect, who shall thereupon revoke the directions and notify the applicant accordingly.

(3) Without prejudice to the provisions contained in sub-section (1), where the Central Government is of opinion that an invention in respect of which the Controller has not given any directions under sub-section (1), is relevant for defence purposes, it may at any time before acceptance of the complete specification notify the Controller to that effect, and thereupon the provisions of that sub-section shall apply as if the invention were one of the class notified by the Central Government, and accordingly the Controller shall give notice to the Central Government of the directions issued by him.

36. *Secrecy directions to be periodically reviewed.*—The question whether an invention in respect of which directions have been given under section 35 continues to be relevant for defence purposes shall be re-considered by the Central Government within nine months from the date of the filing of the application for the patent, and once at least during every subsequent year, and if, on such re-consideration it appears to the Central Government that the publication of the invention would no longer be prejudicial to the defence of India it shall forthwith give notice to the

Controller accordingly and the Controller shall thereupon revoke the directions previously given by him.

37. *Consequences of secrecy directions.*—(1) So long as any directions under section 35 are in force in respect of an application—

(*a*) the Controller shall not pass an order refusing to accept the same; and

(*b*) notwithstanding anything contained in this Act, no appeal shall lie from any order of the Controller passed in respect thereof:

Provided that the application may, subject to the directions proceed up to the stage of the acceptance of the complete specification, but the acceptance shall not be advertised nor the specification published, and no patent shall be granted in pursuance of the application.

(2) Where a complete specification filed in pursuance of an application for a patent for an invention in respect of which directions have been given under section 35 is accepted during the continuance in force of the directions, then—

(*a*) if any use of the invention is made during the continuance in force of the directions by or on behalf of or to the order of the Government, the provisions of sections 100, 101 and 103 shall apply in relation to that use as if the patent hadb een granted for the invention; and

(*b*) if it appears to the Central Government that the applicant for the patent has suffered hardship by reason of the continuance in force of the directions, the Central Government may make to him such payment (if any) by way of solatium as appears to the Central Government to be reasonable having regard to the noveltyand utility of the invention and the purpose for which it is designed, and to any other relevant circumstances.

(*3*) Where a patent is granted in pursuance of an application in respect of which directions have been given under section 35, no renewal fee shall be payable in respect of any period during which those directions were in force.

38. *Revocation of secrecy directions and extension of time.*—When any direction given under section 35 is revoked by the

Controller, then, notwithstanding any provision of this Act specifying the time within which any step should be taken or any act done in connection with an application for the patent, the Controller may, subject to such conditions, if any, as he thinks fit to impose, exteend the time for doing any thing required or authorised to be done by or under this Act in connection with the application, whether or not that time has previously expired.

39. *Residents not to apply for patents outside India without prior permission.*—(*1*) No person resident in India shall, except under the authority of a written permit granted by or on behalf of the Controller, make or cause to be made any application outside India for the grant of a patent for an invention unless—

(*a*) an application for a patent for the same invention has been made in India, not less than eight weeks before the application outside India; and

(*b*) either no directions have been given under sub-section (*1*) of section 35 in relation to the application in India, or all such directions have been revoked.

(*2*) The Controller shall not grant written permission to any person to make any application outside India without the prior consent of the Central Government.

(*3*) This section shall not apply in relation to an invention for which an application for protection has first been filed in a country outside India by a person resident outside India.

40. *Liability for contravention of section* 35 *or section* 39.—Without prejudice to the provisions contained in Chapter XX, if in respect of an application for a patent any person contravenes any direction as to secrecy given by the Controller under section 35 or makes or causes to be made an application for the grant of a patent outside India in contravention of section 39, the application for patent under this Act shall be deemed to have been abandoned and the patent granted, if any, shall be liable to be revoked under section 64.

41. *Finality of orders of Controller and Central Government.*—All orders of the Controller giving directions as to secrecy as well as all orders of the Central Government under this Chapter shall be final and shall not be called in question in any court on any ground whatsoever.

42. *Savings respecting disclosure to Government.*—Nothing in this Act shall be held to prevent the disclosure by the Controller of information concerning an application for a patent or a specification filed in pursuance thereof to the Central Government or any department thereof, for the purpose of the application or specification being examined for considering whether an order under this section should be made, varied or revoked.

CHAPTER VIII

GRANT AND SEALING OF PATENTS AND RIGHTS CONFERRED THEREBY

43. *Grant and sealing of patent.*—(*1*) Where a complete specification in pursuance of an application for a patent has been accepted and either—

(*a*) the application has not been opposed under section 25 and the time for the filing of the opposition has expired; or

(*b*) the application has been opposed and the opposition has been finally decided in favour of the applicant; or

(*c*) the application has not been refused by the Controller by virtue of any power vested in him by this Act;

the patent shall, on request made by the applicant in the prescribed form, be granted to the applicant or, in the case of a joint application, to the applicants jointly, and the Controller shall cause the patent to be sealed with the seal of the patent office and the date on which the patent is sealed shall be entered in the register.

(*2*) Subject to the provisions of sub-section (*1*) and of the provisions of this Act with respect to patents of addition, a request under this section for the sealing of a patent shall be made not later than the expiration of a period of six months from the date of advertisement of the acceptance of the complete specification:

Provided that—

(*a*) where at the expiration of the said six months any proceeding in relation to the application for the patent is pending before the Controller or the High Court, the request may be made within the prescribed period after the final determination of that proceeding.

(*b*) where the applicant or one of the applicants has died before the expiration of the time within which under the provisions of this sub-section the request could otherwise be made, the said request may be made at any time within twelve months after the date of the death or at such later time as the Controller may allow.

(3) The period within which under sub-section (2) a request for the sealing of a patent may be made may, from time to time, be extended by the Controller to such longer period as may be specified in an application made to him in that behalf, if the application is made and the prescribed fee paid within that longer period;

Provided that the first mentioned period shall not be extended under this sub-section by more than three months or such shorter period as may be prescrided:

Explanation.—For the purposes of this section a proceeding shall be deemed to be pending so long as the time for any appeal therein (apart from any future extension of that time) has not expired, and a proceeding shall be deemed to be finally determined when the time for and appeal therein (apart from any such extension) has expired without the appeal being brought.

44. *Amendment of patent granted to deceased applicant.*—Where at any time after a patent has been sealed in pursuance of an application under this Act, the Controller is satisfied that the person to whom the patent was granted had died, or, in the case of a body corporate, had ceased to exist, before the patent was sealed, the Controller may amend patent by substituting for the name of that person the name of the person to whom the patent ought to have been granted, and the patent shall have effect, and shall be deemed always to have effect, accordingly.

45. *Date of patent.*—(1) Subject to the other provisions contained in this Act, every patent shall be dated as of the date on which the complete specification was filed.

(2) The date of every patent shall be entered in the register.

(3) Notwithstanding any thing contained in this section, no proceeding shall be taken in respect of an infringement committed before the date of advertisement of the acceptance of the complete specification.

46. *Form, extent and effect of patent.*—(1) Every patent shall be in the prescribed form and shall have effect throughout India.

(2) A patent shall be granted for one invention only :

Provided that it shall not be competent for any person in a suit or other proceeding to take any objection to a patent on the ground that is has been granted for more than one invention.

47. *Rights of patentees.*—(1) Subject to the other provisions contained in this Act, a patent granted, whether before or after the commencement of this Act, shall confer upon the patentee—

(*a*) where the patent is for an article or substance, the exclusive right by himself, his agents or licensees to make, use, exercise, sell or distribute such article or substance in India;

(*b*) where a patent is for a process of manufacturing an article or substance, the exclusive right by himself, his agents or licensees to use or exercise the process in India and of using or selling in India articles or substances made by such process and of authorising others so to do.

(2) The rights conferred on the patentee by this section shall be exercisable only subject to the provisions of any other law for the time being in force.

48. *Patent rights not infringed when used for certain purposes.*—Notwithstanding anything contained in this Act,—

(*a*) the importation by or on behalf of the Government of any patented machine, apparatus or other article for the purpose merely of its own use, or

(*b*) the importation by or on behalf of the Government of any patented medicine or drug for the purpose merely of its own use or for distribution in any dispensary, hospital or other medcial institution maintained by or on behalf of the Government or any other dispensary, hospital or other medical or other medical institution which may be specified by the Central Government in this behalf by notification in the Official Gazette, or

(*c*) the making of a patented machine, apparatus or other article or the use of the patented process or the making of an article by the use of the patented process by or on behalf of the Government for the purpose merely of its own use or by persons on its behalf who may be specially authorised for the purpose, or (*d*) the making or use of a patented machine or apparatus or other article or the use of a patented process or the use of an article made by the use of the patented process, machine or apparatus for the purpose merely of experiment or research, including the imparting of instructions to pupils.

shall not be deemed to constitute an infringement of the rights conferred on the patentee by this Act.

49. *Patent rights not infringed when used on foreign vessels, etc., temporarily or accidentally in India.*—(1) Where a vessel or aircraft registered in a foreign country or a land vehicle owned by a person ordinarily resident in such country comes into India (including the territorial waters thereof) temporarily or accidentally only, the rights conferred by a patent for an invention shall not be deemed to be infringed by the use of the invention—

(*a*) in the body of the vessel or in the machinery, tackle, apparatus or other accessories thereof, so far as the invention is used on board the vessel and for its actual needs only; or

(*b*) in the construction or working of the aircraft or land vehicle or of the accessories thereof,

as the case may be.

(2) This section shall not extend to vessels, aircraft or land vehicles owned by persons ordinarily resident in a foreign country the laws of which do not confer corresponding rights with respect to the use of inventions in vessels, aircraft or land vehicles owned by persons ordinarily resident in India while in the ports or within the territorial waters of that foreign country or otherwise within the jurisdiction of its courts.

50. *Rights of co-owners of patents.*—(1) Where a patent is granted to two or more persons, each of those persons shall, unless an agreement to the contrary is in force, be entitled to an equal undivided share in the patent.

(2) Subject to the provisions contained in this section and in section 51, where two or more persons are registered as grantee or proprietor of a patent, then, unless an agreement to the contrary is in force, each of those persons shall be entitled, by himself or his agents, to make, use, exercise and sell the patented invention for his own benefit without accounting to the other person or persons.

(3) Subject to the provisions contained in this section and in section 51, and to any agreement for the time being in force, a licence under a patent shall not be granted, and a share in a patent shall not be assigned, except with the consent of all persons, other than the licensor or assignor, who are registered as grantee or proprietor of the patent.

(4) Where a patented article is sold by one of two or more persons registered as grantee or proprietor of a patent the purchaser and any person claiming through him shall be entitled to deal with the article in the same manner as if the article had been sold by a sole patentee.

(5) Subject to the provisions contained in this section, the rules of law applicable to the ownership and devolution, of movable property generally shall apply in relation to patents ; and nothing contained in sub-section (1) or sub-section (2) shall affect the mutual rights or obligations of trustees or of the legal representatives of a deceased person or their rights or obligations as such.

(6) Nothing in this section shall affect the rights of the assignees of a partial interest in a patent created before the commencement of this Act.

51. *Power of Controller to give directions to co-owners.—(1)* Where two or more persons are registered as grantee or proprietor of a patent, the Controller may, upon application made to him in the prescribed manner by any of those persons, give such directions in accordance with the application as to the sale or lease of the patent or any interest therein, the grant of licences under the patent, or the exercise of any right under section 50 in relation thereto, as he thinks fit.

(2) If any person registered as grantee or proprietor of a patent fails to execute any instrument or to do any other thing required for the carrying out of any direction given under this section within fourteen days after being requested in writing so to do by any of the other persons so registered, the Controller may, upon application made to him in the prescribed manner by any such other person, give directions empowering any person to execute that instrument or to do that thing in the name and on behalf of the person in default.

(*3*) Before giving any directions in pursuance of an application under this section, the Controller shall give an opportunity to be heard—

(*a*) in the case of an application under sub-section (1), to the other person or persons registered as grantee or proprietor of the patent;

(*b*) in the case of an application under sub-section (2), to the person in default.

(4) No direction shall be given under this section so as to affect the mutual rights or obligations of trustees or of the legal representatives of a deceased person or of their rights or obligations as such, or which is inconsistent with the terms of any agreement between co-proprietors of the patent.

52. *Grant of patent to true and first inventor where it has been obtained by another in fraud of him.*—(1) Where a patent has been revoked on the ground that the patent was obtained wrongfully and in contravention of the rights of the petitioner or any person under or through whom he claims, or, where in a petition for revocation, the court, instead of revoking the patent, directs the complete specification to be amended by the exclusion of a claim or claims in consequence of a finding that the invention covered by such claim or claims had been obtained from the petitioner, the court may, by order passed in the same proceeding, permit the grant to the petitioner of the whole or such part of the invention which the court finds has been wrongfully obtained by the patentee, in lieu of the patent so revoked or is excluded by amendment.

(2) Where any such order is passed, the Contrloler shall, on request by the petitioner made in the prescribed manner grant to him—

(*i*) in cases where the court permits the whole of the patent to be granted, a new patent bearing the same date and number as the patent revoked;

(*ii*) in cases where the court permits a part only of the patent to be granted, a new patent for such part bearing the same date as the patent revoked and numbered in such manner as may be prescribed:

Provided that the Controller may as a condition of such grant require the petitioner to file a new and complete specification to the satisfaction of the Controller describing and claiming that part of the invention for which the patent is to be granted.

(3) No suit shall be brought for any infringement of a patent granted under this section committed before the actual date on which such patent was granted.

53. *Term of patent.*—(1) Subject to the provisions of this Act, the term of every patent granted after the commencement of this Act shall—

(*a*) in respect of an invention claiming the method or process of manufacture of a substance where the substance is intended for use, or is capable of being used, as food or as a medicine or drug, be ten years from the date of the patent; and

(*b*) in respect of any other invention, be fourteen years from the date of the patent.

(2) Notwithstanding anything contained in the Patents and Designs Act, 1911 (2 of 1911), or in the patent granted thereunder, the term of every patent granted before the commencement of this Act in respect of an invention claiming a substance or the method or process of manufacture in respect thereof, where the substance is intended for use, or is capable of being used, as food or as medicine or drug shall be ten years from the date of the patent:

Provided that where at the commencement of this Act any such patent is in force by reason of an extension granted under the Act aforesaid, the patent shall cease to have effect on the expiration of the period of such extension.

(3) A patent shall cease to have effect notwithstanding anything therein or in this Act on the expiration of the period prescribed for the payment of any renewal fee, if that fee is not paid within the prescribed period or within that period as extended under this section.

(4) The period prescribed for the payment of any renewal fee shall be extended to such period, not being more than three months longer than the prescribed period, as may be specified in a request made to the Controller if the request is made and the renewal fee and the prescribed additional fee paid before the expiration of the period so specified.

CHAPTER IX

PATENTS OF ADDITION

54. *Patents of addition.*—(1) Subject to the provisions contained in this section, where an application is made for a patent in respect of any improvement in or modification of an invention described or disclosed in the complete specification filed therefor (in this Act referred to as the 'main invention') and the applicant also applies or has applied for a patent for that invention or is the patentee in respect thereof, the Controller may, if the applicant so requests, grant the patent for the improvement or modification as a patent of addition.

(2) Subject to the provisions contained in this section, where an invention, being an improvement in or modification of another invention, is the subject of an independent patent and the patentee in respect of that patent is also the patentee in respect of the patent for the main invention, the Controller may, if the patentee so requests, by order, revoke the patent for the improvement or modification and grant to the patentee a patent of addition in respect thereof, bearing the same date as the date of the patent so revoked.

(3) A patent shall not be granted as a patent of addition unless the date of the filing of the complete specification was the same as or later than the date of filing of the complete specification in respect of the main invention.

(4) A patent of addition shall not be sealed before the sealing of the patent for the main invention, and if the period within which, but for the provisions of this sub-section, a request for the sealing of a patent of addition could be made under section 43 expires before the period within which a request for the sealing of the patent for the main invention may be so made, the request for the sealing of the patent of addition may be made at any time within the last mentioned period.

55. *Term of patents of addition.*—(1) A patent of addition shall be granted for a term equal to that of the patent for the main invention, or so much thereof as has not expired, and shall remain in force during that term or until the previous cesser of the patent for the main invention and no longer:

Provided that if the patent for the main invention is revoked under this Act, the Court or, as the case may be, the Controller, on request made to him by the patentee in the prescribed manner may order that the patent of addition shall become an independent patent for the remainder of the term for the patent for the main invention and thereupon the patent shall continue in force as an independent patent accordingly.

(2) No renewal fees shall be payable in respect of a patent of addition, but, if any such patent becomes an independent patent under sub-section (1), the same fees shall thereafter be payable, upon the same dates, as if the patent had been originally granted as an independent patent.

56. *Validity of patents of addition.*—(1) The grant of a patent of addition shall not be refused, and a patent granted as a patent of addition shall not be revoked or invalidated, on grund only that the invention claimed in the complete specification does not involve any inventive step having regard to any publication or use of—

(*a*) the main invention described in the complete specification relating thereto ; or

(*b*) any improvement in or modification of the main invention described in the complete specification of a patent of addition to the patent for the main invention or of an application for such a patent of addition ,

and the validity of a patent of addition shall not be questioned on the ground that the invention ought to have been the subject of an independent patent.

(2) For the removal of doubts it is hereby declared that in determining the novelty of the invention claimed in the complete specification filed in pursuance of an application for a patent of addition regard shall be had also to the complete specification in which the main invention is described.

CHAPTER X

AMENDMENT OF SPECIFICATIONS

57. *Amendment of specification before Controller.*—(1) Subject to the provisions of section 59, the Controller may, upon application made under this section in the prescribed manner by an applicant for a patent or by a patentee, allow the complete

specification to be amended subject to such conditions, if any, as the Controller thinks fit:

Provided that the Controller shall not pass any order allowing or refusing an application to amend a specification under this section while any suit before a court for the infringement of the patent or any proceeding before the High Court for the revocation of the patent is pending, whether the suit or proceeding commenced before or after the filing of the application to amend.

(2) Every application for leave to amend a specification under this section shall state the nature of the proposed amendment, and shall give full particulars of the reasons for which the application is made.

(3) Every application for leave to amend a specification under this section made after the acceptance of the complete specification and the nature of the proposed amendment shall be advertised in the prescribed manner.

(4) Where an application is advertised under sub-section (3), any person interested may, within the prescribed period after the advertisement thereof, give notice to the Controller of opposition thereto; and where such notice is given within the period aforesaid, the Controller shall notify the person by whom the application under this section is made and shall give to that person and to the opponent an opportunity to be heard before he decides the case.

(5) An amendment under this section of a complete specification may be, or include an amendment of the priority date of a claim.

(6) The provisions of this section shall be without prejudice to the right of an applicant for a patent to amend his specification to comply with the directions of the Controller passed before the acceptance of the complete specification and in the course of proceedings in opposition to the grant of a patent.

58. *Amendment of specification before High Court.*—(1) In any proceeding before the High Court for the revocation of a patent the High Court may, subject to the provisions contained in section 59, allow the patentee to amend this complete specification in such manner and subject to such terms as to costs, advertisement or otherwise, as the High Court may think fit, and if in any proceedings for revocation the High Court decides that the patent is invalid, it may allow the specification to be amended under this section instead of revoking the patent.

(2) Where an application for an order under this section is made to the High Court, the applicant shall give notice of the application to the Controller, and the Controller shall be entitled to appear and be heard, and shall appear if so directed by the High Court.

(3) Copies of all orders of the High Court allowing the patentee to amend the specification shall be transmitted by the High Court to the Controller who shall on receipt thereof cause an entry thereof and reference thereto to be made in the register.

59. *Supplementary provisions as to amendment of specification.*—(1) No amendment of a complete specification shall be made except by way of disclaimer, correction or explanation and no amendment thereof shall be allowed, except for the purpose of correcting an obvious mistake, the effect of which would be that the specification as amended would claim or describe matter not in substance disclosed in the specification before the amendment, or that any claim of the specification as amended would not fall wholly within the scope of a claim of the specification before the amendment.

(2) Where after the date of advertisement of acceptance of a complete specification, any amendment of the specification is allowed by the Controller or by the High Court,—

(*a*) the amendment shall for all purposes be deemed to form part of the specification ;

(*b*) the fact that the specification has been amended shall be advertised in the Official Gazette ; and

(*c*) the right of the applicant or patentee to make amendment shall not be called in question except on the ground of fraud.

(3) In construing the specification as amended, reference may be made to the specification as originally accepted.

CHAPTER XI

RESTORATION OF LAPSED PATENTS

60. *Applications for restoration of lapsed patents.*—(1) Where a patent has ceased to have effect by reason of failure to pay any renewal fee within the prescribed period or within that period as

extended under sub-section (3) of section 53, and the Controller is satisfied, upon application made within three years from the date on which the patent ceased to have effect, that the failure was unintentional and that no undue delay has occurred in the making, or prosecution of the application, he shall, by order, restore the patent and any patent of addition specified in the application which has ceased to have effect on the ceaser of that patent.

(2) An application under this section may be made by the person who was the patentee or by his legal representative, and where the patent was held by two or more persons jointly, the application may, with the leave of the Controller, be made by one or more of them without joining the others.

(3) An application under this section shall contain a statement, verified in the prescribed manner, fully setting out the circumstances which led to the failure to pay the prescribed fee, and the Controller may require from the applicant such further evidence as he may think necessary.

61. *Procedure for disposal of applications for restoration of lapsed patents* —(1) If, after hearing the applicant under section 60 in cases where the applicant so desires or the Controller thinks fit, the Controller is satisfied that a *prima facie* case has been made out for an Order under that section, he shall advertise the application in the prescribed manner ; and within the prescribed period any person interested may give notice to the Controller of opposition thereto on either or both of the following grounds, that is to say,—

(*a*) that the failure to pay the renewal fee was not unintentional ; or

(*b*) that there has been undue delay in the making of the application.

(2) If notice of opposition is given within the period aforesaid, the Controller shall notify the applicant, and shall give to him and to the opponent an opportunity to be heard before he decides the case.

(3) If no notice of opposition is given within the period aforesaid or if in the case of opposition, the decision of the Controller is in favour of the applicant, the Controller shall, upon payment of any unpaid renewal fee and such additional fee as may be prescribed, make the order in accordance with the application.

(4) The Controller may, if he thinks fit as a condition of restoring the patent, require that an entry shall be made in the register of any document or matter which, under the provisions of this Act, has to be entered in the register but which has not been so entered.

62. *Rights of patentees of lapsed patents which have been restored.*—(1) Where a patent is restored, the rights of the patentee shall be subject to such provisions as may be prescribed and to such other provisions as the Controller thinks fit to impose for the protection or compensation of persons who may have begun to avail themselves of, or have taken definite steps by contract or otherwise to avail themselves of, the patented invention between the date when the patent ceased to have effect and the date of the order restoring the patent under this Chapter.

(2) No suit or other proceeding shall be commenced or prosecuted in respect of an infringement of a patent committed between the date on which the patent ceased to have effect and the date of the order restoring the patent.

CHAPTER XII

SURRENDER AND REVOCATION OF PATENTS

63. *Surrender of patents.*—(1) A patentee may, at any time by giving notice in the prescribed manner to the Controller, offer to surrender his patent.

(2) Where such an offer is made, the Controller shall advertise the offer in the prescribed manner, and also notify every person other than the patentee whose name appears in the register as having an interest in the patent.

(3) Any person interested may, within the prescribed period after such advertisement, give notice to the Controller of opposition to the surrender, and where any such notice is given the Controller shall notify the patentee.

(4) If the Controller is satisfied after hearing the patentee and any opponent, if desirous of being heard, that the patent may properly be surrendered, he may accept the offer and, by order, revoke the patent.

64. *Revocation of patents.*—(1) Subject to the provisions contained in this Act, a patent, whether granted before or after the commencement of this Act, may, on the petition of any person interested or of the Central Government, be revoked by the High Court on any of the following grounds, that is to say—

(*a*) that the invention, so far as claimed in any claim of the complete specification, was claimed in a valid claim of earlier priority date contained in the complete specification of another patent granted in India;

(*b*) that the patent was granted on the application of a person not entitled under the provisions of this Act to apply therefor:

Provided that a patent in force at the commencement of this Act shall not be revoked on the ground that the applicant was the communicate or the importor of the invention in India and therefore not entitled to make an application for the grant of a patent under this Act;

(*c*) that the patent was obtained wrongfully in contravention of the rights of the petitioner or any person under or through whom he claims:

(*d*) that the subject of any claim of the complete specification is not an invention within the meaning of this Act;

(*e*) that the invention so far as claimed in any claim of the complete specification is not new, having regard to what was known or used in India before the priority date of the claim or to what was published in India or elsewhere in any of the documents referred to in Section 13;

(*f*) that the invention so far as claimed in any claim of the complete specification is obvious or does not involve any inventive step, having regard to what was known or used in India or what was published in India or elsewhere before the priority date of the claim;

(*g*) that the invention, so far as claimed in any claim of the complete specification, is not useful;

(*h*) that the complete specification does not sufficiently and fairly describe the invention and the method by which it is to be performed, that is to say, that the description of the method or the instructions for the working of the invention as contained in the complete specification are not by themselves sufficient to enable a person in India possessing average skill in, and average knowledge of, the art to which the invention relates, to work the invention, or that it does not disclose the best method of performing it which was known to the applicant for the patent and for which he was entitled to claim protection;

(*i*) that the scope of any claim of the complete specification is not sufficiently and clearly defined or that any claim of the complete specification is not fairly based on the matter disclosed in the specification;

(*j*) that the patent was obtained on a false suggestion or representation;

(*k*) that the subject of any claim of the complete specification is not patentable under this Act;

(*l*) that the invention so far as claimed in any claim of the complete specification was secretly used in India, otherwise than as mentioned in sub-section (*2*), before the priority date of the claim.

(*m*) that the applicant for the patent has failed to disclose to the Controller the information required by section 8 or has furnished information which in material particulars was false to his knowledge;

(*n*) that the applicant contravened any direction for secrecy passed under section 35 or made an application for the grant of a patent outside India in contravention of section 39;

(*o*) that leave to amend the complete specification under section 57 or section 58 was obtained by fraud.

(*2*) For the purposes of clauses (*e*) and (*f*) of sub-section (*1*),—

(*a*) no account shall be taken of secret use; and

(*b*) where the patent is for a process or for a product as made by a process described or claimed, the importation into India, of the product made abroad by that process shall constitute knowledge or use in India of the invention on the date of the importation.

(*3*) For the purposes of clause (*l*) of sub-section (*1*), no account shall be taken of any use of the invention—

(*a*) for the purpose of reasonable trial or experiment only; or (*b*) by the Government or by any person authorised by the Government or by a Government undertaking, in consequence of the applicant for the patent or any person from whom he derives title having communicated or disclosed the invention directly or indirectly to the Government or person authorised as aforesaid or to the Government undertaking ; or

(*c*) by any other person, in consequence of the applicant for the patent or any person from whom he derives title having communicated or disclosed the invention, and without the consent or acquiescence of the applicant or of any person from whom he derives title.

(*4*) Without prejudice to the provisions contained in sub-section (1), a patent may be revoked by the High Court on the petition of the Central Government, if the High Court is satisfied that the patentee has without reasonable cause failed to comply with the ruquest of the Central Government to make, use or exercise the patented invention for the purposes of Government within the meaning of section 99 upon reasonable terms.

(*5*) A notice of any petition for revocation of a patent under this section shall be served on all persons appearing from the register to be proprietors of that patent or to have shares or interests therein and it shall not be necessary to serve a notice on any other person.

65. *Revocation of patent or amendment of complete specification on directions from Central Govornment in cases relating to atomic energy.*— (1) Where at any time after acceptance of a complete specification, the Central Government is satisfied that an application for a patent or a patent is for an invention relating to atomic energy for which no patent can be granted under sub-section (1) of section 20 of the Atomic Energy Act, 1962, (33 of 1962). it may direct the Controller to refuse to proceed further with the application or to revoke the patent, as the case may be, and thereupon the Controller, after giving notice to the applicant or, as the case may be, to the patentee and every other person whose name has been entered in the register as having an interest in the patent, and after giving them an opportunity of being heard, may refuse to proceed further with the application or may revoke the patent.

(2) In any proceedings under sub-section (1), the Controller may allow the applicant for the patent or the patentee to amend the complete specification in such manner as he considers necessary

instead of refusing to proceed with the application or revoking the patent.

66. *Revocation of patent in public interest.*— Where the Central Government is of opinion that a patent or the mode in which it is exercised is mischievous the State or generally prejudicial to the public, it may, after giving the patentee an opportunity to be heard, make a declaration to that effect in the Official Gazette and thereupon the patent shall be deemed to be revoked.

CHAPTER XIII.

REGISTER OF PATENTS.

67. *Register of patents and particulars to be entered therein.*—(*1*) There shall be kept at the patent office a register of patents, wherein shall be entered—

(*a*) the names and addresses of grantees of patents ;

(*b*) notifications of assignments and of transmissions of patents, of licences under patents, and of amendments extensions, and revocations of patents ; and

(*c*) particulars of such other matters affecting the validity or proprietorship of patents as may be prescribed.

(*2*) No notice of any trust, whether express, implied or constructive, shall be entered in the register, and the Controller shall not be affected by any such notice.

(*3*) Subject to the superintendence and direction of the Central Government, the register shall be kept under the control and management of the Controller.

(*4*) For the removal of doubts, it is hereby declared that the register of patents existing at the commencement of this Act shall be incorporated in, and form part of the register under this Act.

68· *Assignments, etc, not to be valid unless in writing and registered.*—An assignment of a patent or of a share in a patent, a mortgage, licence or the creation of any other interest in a patent shall not be valid unless the same were in writing and the agreement between the parties concerned is reduced to the form of a document embodying all the terms and conditions governing their rights and obligations and the application for registration of such document is filed in the prescribed manner with the Controller within three months, or within such further period not exceeding three months in the aggregate as the Controller on application made in the prescribed manner allows, from the execution thereof:

Provided that the document shall, when registered, have effect from the date of its execution.

69. *Registration of assignments, transmissions, etc.*—(1) Where any person becomes entitled by assignment, transmission or operation of law to a patent or to a share in a patent or becomes entitled as a mortgagee, licensee or otherwise to any other interest in a patent, he shall apply in writing in the prescribed manner to the Controller for the registration of his title or, as the case may be, of notice of his interest in the register.

(2) Without prejudice to the provisions of sub-section (1), an application for the registration of the title of any person becoming entitled by assignment to a patent or a share in a patent or becoming entitled by virtue of a mortgage, licence or other instrument to any other interest in a patent may be made in the prescribed manner, by the assignor, mortgagor, licensor or other party to that instrument, as the case may be.

(3) Where an application is made under this section for the registration of the title of any person the Controller shall, upon proof of title to his satisfaction,—

- (*a*) where that person is entitled to a patent or a share in a patent, register him in the register as proprietor or co-proprietor of the patent, and enter in the register particulars of the instrument or event by which he derives title; or
- (*b*) where that person is entitled to any other interest in the patent, enter in the register notice of his interest, with particulars of the instrument, if any, creating it:

Provided that where the validity of the transaction or transmission or of the mortgage, licence or other transaction referred to in sub-section (1) is in dispute between the parties, the Controller may refuse to register the transmission, mortgage, licence or other transaction until the rights of the parties have been determined by a competent court.

(4) There shall be supplied to the Controller in the prescribed manner for being filed in the patent office copies of all

agreements, licences and other documents affecting the title to any patent or any licence thereunder authenticated in the prescribed manner and also such other documents as may be prescribed relevant to the subject-matter:

Provided that in the case of licences granted under a patent, the Controller shall, if so requested by the patentee or licensee, take steps for securing that the terms of the licence are not disclosed to any person except under the order of a court.

(5) Except for the purposes of an application under sub-section (1) or of an application to rectify the register, a document in respect of which no entry has been made in the register under sub-section (3) shall not be admitted by the Controller or by any court as evidence of the title of any person to a patent or to a share or interest therein unless the Controller or the court, for reasons to be recorded in writing, otherwise directs.

70. *Power of registered grantee or proprietor to deal with patent.*—Subject to the provisions contained in this Act relating to co-ownership of patents and subject also to any rights vested in any other person of which notice is entered in the register, the person or persons registered as grantee or proprietor of a patent shall have power to assign, grant licences under, or otherwise deal with, the patent and to give effectual receipts for any consideration for any such assignment, licence or dealing:

Provided that any equities in respect of the patent may be enforced in like manner as in respect of any other movable property.

71. *Rectification of register by High Court.*—(1) The High Court may, on the application of any person aggrieved—

(*a*) by the absence or omission from the register of any entry; or

(*b*) by any entry made in the register without sufficient cause; or

(*c*) by any entry wrongly remaining on the register; or

(*d*) by any error or defect in any entry in the register;

make such order for the making, variation or deletion of any entry therein as it may think fit.

(2) In any proceeding under this section the High Court may decide any question that may be necessary or expedient to decide in connection with the rectification of the register.

(3) Notice of any application to the High Court under this section shall be given in the prescribed manner to the Controller who shall be entitled to appear and be heard on the application, and shall appear if so directed by the court.

(4) Any order of the High Court under this section rectifying the register shall direct that notice of the rectification shall be served upon the Controller in the prescribed manner who shall upon receipt of such notice rectify the register accordingly.

72. *Register to be open for inspection.*—(1) Subject to the provisions contained in this Act and any rules made thereunder, the register shall at all convenient times be open to inspection by the public; and certified copies, sealed with the seal of the patent office, of any entry in the register shall be given to any person requiring them on payment of the prescribed fee.

(2) The register shall be *prima facie* evidence of any matters required or authorised by or under this Act to be entered therein.

CHAPTER XIV

PATENT OFFICE AND ESTABLISHMENT

73. *Controller and other officers.*—(1) The Controller General of Patents, Designs and Trade Marks appointed under sub-section (1) of section 4 of the Trade and Merchandise Marks Act, 1958 (43 of 1958) shall be the Controller of Patents for the purposes of this Act.

(2) The Central Government may appoint as many examiners and other officers and with such designations as it thinks fit for the purpose of discharging, under the superintendence and directions of the Controller, such functions of the Controller under this Act as it may from time to time authorise them to discharge.

74. *Patent office and its branches.*—(1) For the purpose of this Act there shall be established an office which shall be known as the patent office.

(2) *The head office of the patent office shall be at such place as the Central Government may specify, and for the purpose of facilitating the registration of patents there may be established, at such other places as the Central Government may think fit, branch offices of the patent office.*

(3) There shall be a seal of the patent office.

75. *Restrictions on employees of patent office as to right or interest in patents.*—All officers and employees of the patent office shall be incapable, during the period for which they hold their appointments, to acquire or take, directly or indirectly, except by inheritance or bequest, any right or interest in any patent issued by that office.

76. *Officers and employees not to furnish information, etc*—An officer or employee in the patent office shall not, except when required or authorised by this Act or under a direction in writing of the Central Government or the Controller or by order of a court,—

(*a*) furnish information on a matter which is being or has been, dealt with under this Act or under the Indian Patents and Designs Act, 1911 (2 of 1911); or

(*b*) prepare or assist in the preparation of a document required or permitted by or under this Act or under the Indian Patents and Designs Act, 1911 (2 of 1911) to be lodged in the patent office; or

(*c*) conduct a search in the records of the patent office.

CHAPTER XV

POWERS OF CONTROLLER GENERALLY

77. *Controller to have certain powers of a civil court.*—(1) Subject to any rules made in this behalf, the Controller in any proceedings before him under this Act shall have the powers of a civil court while trying a suit under the Code of Civil Procedure, 1908 (5 of 1908.) in respect of the following matters, namely:—

(*a*) summoning and enforcing the attendance of any person and examining him on oath;

(*b*) requiring the discovery and production of any document;

(*c*) receiving evidence on affidavits;

(*d*) issuing commissions for the examination of witnesses or documents;

(*e*) awarding costs;

(*f*) reviewing his own decision on application made in the prescribed manner;

(*g*) setting aside orders passed *ex parte*;

(*h*) any other matter which may be prescribed.

(2) Any order for costs awarded by the Controller in exercise of the powers conferred upon him under sub-section (*1*) shall be executable as a decree of a civil court.

78. *Power of Controller to correct clerical errors, etc.*—(1) Without prejudice to the provisions contained in sections 57 and 59 as regards amendment of complete specifications filed in pursuance of an application for a patent and subject to the provisions of section 44, the Controller may, in accordance with the provisions of this section, correct any clerical error in any patent or in any specification or other document filed in pursuance of such application or in any application for a patent or any clerical error in any matter which is entered in the register.

(2) A correction may be made in pursuance of this section either upon a request in writing made by any person interested and accompanied by the prescribed fee, or without such a request.

(3) Where the Controller proposes to make any such correction as aforesaid otherwise than in pursuance of a request made under this section, he shall give notice of the proposal to the patentee or the applicant for the patent, as the case may be, and to any other person who appears to him to be concerned, and shall give them an opportunity to be heard before making the correction.

4) Where a request is made under this section for the correction of any error in a patent or application for a patent or any document filed in pursuance of such an application, and it appears to the Controller that the correction would materially alter the meaning or scope of the document to which the request relates and ought not to be made without notice to persons affected thereby he shall require notice of the nature of the proposed correction to be advertised in the prescribed manner.

(5) Within the prescribed time after any such advertisement as aforesaid any person interested may give notice to the Controller of opposition to the request, and, where such notice of opposition is given, the Controller shall give notice thereof to the person by whom the request was made, and shall give to him and to the opponent an opportunity to be heard before he decides the case.

79. *Evidence how to be given and powers of Controller in respect thereof.*—Subject to any rules made in this behalf, in any

proceeding under this Act before the Controller evidence shall be given by affidavit in the absence of directions by the Controller to the contrary, but in any case in which the Controller thinks it right so to do, he may take oral evidence in lieu of, or in addition to, evidence by affidavit, or may allow any party to be cross-examined on the contents of his affidavit.

80. *Exercise of discretionary powers by Controller.*—Without prejudice to any provision contained in this Act requiring the Controller to hear any party to the proceedings thereunder or to give any such party an opportunity to be heard, the Controller shall give to any applicant for a patent, or for amendment of a specification (if within the prescribed time the applicant so requires) an opportunity to be heard before exercising adversely to the applicant any discretion vested in the Controller by or under this Act.

81. *Disposal by Controller of applications for extension of time.*—Where under the provisions of this Act or the rules made thereunder the Controller may extend the time for doing any act, nothing in this Act shall be deemed to require him to give notice to or hear the party interested in opposing the extension, nor shall any appeal lie from any order of the Controller granting such extension.

CHAPTER XVI.

WORKING OF PATENTS, COMPULSORY LICENCES, LICENCES OF RIGHT AND REVOCATION

82. *Definitions of "patented articles" and "patentee".*—In this Chapter,—

(*a*) "patented article" includes any article made by a patented process; and

(*b*) "patentee" includes an exclusive licensee.

83. *General principles applicable to working of patented inventions.*—Without prejudice to the other provisions contained in this Act, in exercising the powers conferred by this Chapter, regard shall be had to the following general considerations, namely,—

(*a*) that patents are granted to encourage inventions and to secure that the inventions are worked in India on a commercial scale and to the fullest extent that is reasonably practicable without undue delay, and (*b*) that they are not granted merely to enable patentees to enjoy a monopoly for the importation of the patented article.

84. *Compulsory licences.*—(1) At any time after the expiration of three years from the date of the sealing of a patent, any person interested may make an application to the Controller alleging that the reasonable requirements of the public with respect to the patented invention have not been satisfied and praying for the grant of a compulsory licence to work the patented invention.

(2) An application under this section may be made by any person notwithstanding that he is already the holder of a licence under the patent and no person shall be estopped from alleging that the reasonable requirements of the public with respect to the patented invention are not satisfied by reason of any admission made by him, whether in such a licence or otherwise or by reason of his having accepted such a licence.

(3) Every application under sub-section (1) shall contain a statement setting out the nature of the applicant's interest together with such particulars as may be prescribed and the facts upon which the application is based.

(4) In considering the application filed under this section the Controller shall take into account the matters set out in section 85.

(5) The Controller, if satisfied that the reasonable requirements of the public with respect to the patented invention have not been satisfied, may order the patentee to grant a licence upon such terms as he may deem fit.

(6) Where the Controller directs the patentee to grant a licence he may as incidental thereto exercise the powers set out in section 93.

(7) The decision of the Controller shall be subject to appeal to the Central Government.

85. *Matters to be taken into account in granting compulsory licences.*—In determining whether or not to make an order in pursuance of an application filed under section 84, the Controller shall take into account:—

(*i*) the nature of the invention, the time which has elapsed since the sealing of the patent and the measures already taken by the patentee or any licensee to make full use of the invention (*ii*) the ability of the applicant to work the invention to the public advantage ;

(*iii*) where the invention relates to a scheduled industry whitin the meaning of the Industries (Development and Regulation) Act, 1951 (65 of 1951), whether the applicant would be granted permission to work the invention, if a licence were granted ;

(*iv*) the capacity of the applicant to undertake the risk in providing capital and working the invention, if the application were granted ;

but shall not be required to take into account matters subsequent to the making of the application.

86. *Endorsement of patent with the words "Licences of right"*.—(1) At any time after the expiration of three years from the date of the sealing of a patent, the Central Government may make an application to the Controller for an order that the patent may be endorsed with the words "Licences of right" on the ground that the reasonable requirements of the public with respect to the patented invention have not been satisfied.

(2) The Controller, if satisfied that the reasonable requirements of the public with respect to the patented invention have not been satisfied, may make an order that the patent be endorsed with the words "Licences of right".

(3) Where a patent of addition is in force, any application made under this section for an endorsement either of the original patent or of the patent of addition shall be treated as an application for the endorsement of both patents, and where a patent of addition is granted in respect of a patent which is already endorsed under this section, the patent of addition shall also be so endorsed.

(4) All endorsements of patents made under this section shall be entered in the register and published in the Official Gazette and in such other manner as the Controller thinks desirable for bringing the endorsement to the notice of manufacturers.

87. *Certain patents deemed to be endorsed with the words "Licences of right"*.—(1) Notwithstanding anything contained in this Act,—

(*a*) every patent in force at the commencement of this Act in respect of inventions relating to—

(*i*) substances used or capable of being used as food or as medicine or drug ;

(*ii*) the methods or processes for the manufacture or production of any such substance as is referred to in sub-clause (*i*);

(*iii*) the methods or processes for the manufacture or production of chemical substances (including alloys, optical glass, semi-conductors and inter-metallic compounds); and

(*b*) every patent granted after the commencement of this Act in respect of any such invention as is referred to in sub-clauses (*ii*) and (*iii*) of clause (*a*);

shall be deemed to be endorsed with the words "Licences of right", in the case of inventions referred to in clause (*a*), from the commencement of this Act, and, in the case of inventions referred to in clause (*b*), from the date of sealing of the patent.

(2) In respect of every patent which is deemed to be endorsed with words "Licences of right" under this section, the provisions of section 88 shall apply.

88. *Effect of endorsement of patent with the words "Licences of right"*.—(1) Where a patent has been endorsed with the words "Licences of right", any person who is interested in working the patented invention in India may require the patentee to grant him a licence for the purpose on such terms as may be mutually agreed upon.

(2) If the parties are unable to agree on the terms of the licence, either of them may apply in the prescribed manner to the Controller to settle the terms thereof.

(3) The Controller shall, after giving notice to the parties and hearing them and after making such enquiry as he may deem fit, decide the terms on which the licence shall be granted by the patentee.

(4) The Controller may at any time before the terms of the licence are mutually agreed upon or decided by the Controller, on application made to him in this behalf by any person who has made any such requisition as is referred to in sub-section (*1*), permit him to work the patented invention on such terms as the Controller may, pending agreement between the parties or decision by the Controller, think fit to impose.

(5) In respect of every patent deemed to be endorsed with the words "Licences of right" under sub-clause (*i*) or sub-clause (*ii*) of

clause (*a*) of sub-section (*1*) of section 87, whether the patent was granted before or after the commencement of this Act, the royalty and other remuneration reserved to the patentee under a licence garnted to any person after such commencement shall in no case exceed four per cent of the net *ex*-factory sale price in bulk of the patented article (exclusive of taxes levied under any law for the time being in force and any commissions payable) determined in such manner as may be prescribed.

(6) Save as otherwise provided in sub-section (5), the provisions of sub-sections (1), (2), (4), (5) and (6) of section 93 (regarding the powers of the Controller) and of sections 94 and 95 shall apply to licences granted under this section as they apply to licences granted under section 84.

89. *Revocation of patents by the Controller for non-working.*—(1) Where, in respect of a patent, a compulsory licence has been granted or the endorsement "Licences of right" has been made or is deemed to have been made, the Central Government or any person interested may, after the expiration of two years from the date of the order granting the first compulsory licence or, as the case may be, the date of the endorsement, apply to the Controller for an order revoking the patent on the ground that the reasonable requirements of the public with respect to the patented invention have not been satisfied.

(2) Every application under sub-section (1) shall contain such particulars as may be prescribed and the facts upon Which the application is based, and, in the case of an application other than by the Central Government, shall also set out the nature of the applicant's interest.

(3) The Controller, if satisfied that the reasonable requirements of the public with respect to the patented invention have not been satisfied, may make an order revoking the patent.

90. *When reasonable requirements of the public deemed not satisfied.*—For the purposes of sections 84, 86 and 89, the reasonable requirements of the public shall be deemed not to have been satisfied—

(*a*) if, by reason of the default of the patentee to manufacture in India to an adequate extent and supply on reasonable terms the patented article or a part of the patented article which is necessary for its efficient working or if, by reason of the refusal of the patentee to grant a licence or licences on reasonable terms,—

(*i*) an existing trade or industry or the development thereof or the establishment of any new trade or industry in India or the trade or industry of any person or classes of persons trading or manufacturing in India is prejudiced; or

(*ii*) the demand for the patented article is not being met to an adequate extent or on reasonable terms from manufacture in India; or

(*iii*) a market for the export of the patented article manufactured in India is not being supplied or developed or such market capable of being created is not being created; or

(*iv*) the establishment or development of commercial activities in India is prejudiced; or

(*b*) if, by reason of conditions imposed by the patentee (whether before or after the commencement of this Act) upon the grant of licences under the patent, or upon purchase, hire or use of the patented article or process, the manufecture, use or sale of materials not protected the by the patent, or the establishment or develoment of any trade or industry in India, is prejudiced; or

(*c*) if the patented invention is not being worked in India on acommercial scale to an adequate extent or is not being so worked to the fullest extent that is reasonably practicable; or

(*d*) if the demand for the patented article in India is being met to a substantial extent by importation from abroad by—

(*i*) the patentee or persons claiming under him; or

(*ii*) persons directly or indirectly purchasing from him; or

(*iii*) other persons against whom the patentee is not taking or has not taken proceedings for infringement; or

(*e*) if the working of the patented invention in India on a commercial scale is being prevented or hindered by the importation from abroad of the patented article by the patentee or the other persons referred to in the preceding clause.

91. *Power of Controller to adjourn applications for compulsory licences, etc., in certain cases.*— (1) Where an application under section 84, section 86, or section 89, as the case may be, is made on the ground mentioned in clause (c) of section 90 and the Controller is satisfied that the time which has elapsed since the sealing of the patent has for any reason been insufficient to enable the invention to be worked on a commercial scale to an adequate extent or to enable the invention to be so worked to the fullest extent that is reasonable practicable, he may, by order, adjourn the further hearing of the application for such period not exceeding twelve months in the aggregate as appears to him to be sufficient for the invention to be so worked.

(2) No adjournment under sub-section (1) shall be ordered unless the Controller is satisfied that the patentee has taken with promptitude adequate or reasonable steps to start the working of the invention in India on a commercial scale and to an adequate extent.

(3) In computing the period of twelve months referred to in sub-section (1) in any case where the patentee establishes that the reason why a patented invention could not be worked or worked on a commercial scale to an adequate extent or worked to the fullest extent that is reasonably practicable before the date of the application was due to any State or Central Act or any rule or regulation made thereunder or any order of the Government imposed otherwise than by way of a condition for the working of the invention in India or for the disposal of the patented articles or of the articles made by the process or by the use of the patented plant, machinery or apparatus, the period during which such Act, rule or regulation or order of Government preventing the working of the invention was in force shall be excluded.

92. *Procedure for dealing with applications under sections 84, 86 and 89.*—(1) Where the Controller is satisfied, upon consideration of an application under section 84, section 86 or section 89, that a *prima facie* case has been made out for the making of an order, he shall direct the applicant to serve copies of the application upon the patentee and any other person appearing from the register to be interested in the patent in respect of which the application is made, and shall advertise the application in the Official Gazette.

(2) The patentee or any other person desiring to oppose the application may, within such time as may be prescribed or within such further time as the Controller may on application

(made either before or after the expiration of the prescribed time) allow, give to the Controller notice of opposition.

(3) Any such notice of opposition shall contain a statement setting out the grounds on which the application is opposed.

(4) Where any such notice of opposition is duly given, the Controller shall notify the applicant, and shall give to the applicant and the opponent an opportunity to be heard before deciding the case.

93. *Powers of Cantroller in granting compulsory licences.*—(1) Where the Controller is satisfied on application made under section 84 that the manufacture, use or sale of materials not protected by the patent is prejudiced by reason of conditions imposed by the patentee upon the grant of licences under the patent, or upon the purchase, hire or use of the patented article or process, he may, subject to the provisions of that section, order the grant of licences under the patent to such customers of the applicant as he thinks fit as well as to the applicant.

(2) Where an application under section 84 is made by a person being the holder of a licence under the patent, the Controller may, if he makes an order for the grant of a licence to the applicant, order the existing licence to be cancelled, or may, if he thinks fit, instead of making an order for the grant of a licence to the applicant, order the existing licence to be amended.

(3) Where on an application made under section 84 the Controller orders the grant of a licence, he may direct that the licence shall operate—

(*a*) to deprive the patentee of any right which he may have as patentee to make, use, exercise or vend the invention or to grant licences under the patent;

(*b*) to revoke all existing licences in respect of the invention.

(4) Where two or more patents are held by the same patentee and an applicant for a compulsory licence establishes that the reasonable requirements of the public have not been satisfied with respect to some only of the said patents, then, if the Controller is satisfied that the applicant cannot efficiently or satisfactorily work the licence granted to him under those patents without infringing the other patents held by the patentee, he may, by order, direct the grant of a licence in respect of the other patents also to enable the licensee to work the patent or patents in regard to which a licence is granted under section 84.

(5) Where the terms and conditions of a licence have been settled by the Controller, an application may be made to the Controller by the licensee for the revision of the terms on the ground that the terms settled have proved to be more onerous than originally expected and that in consequence thereof the licensee is unable to work the invention except at a loss:

Provided that no such application shall be entertained,—

(*a*) unless the licensee has worked the invention on a commercial scale for a period of at least twelve months, or

(*b*) a second time.

(6) The decision of the Controller shall be subject to appeal to the Central Government.

94. *General purposes for granting compulsory licences.*—The powers of the Controller upon an application made under section 84 shall be exercised with a view to securing the following general purposes, that is to say,—

(*a*) that patented inventions are worked on a commercial scale in India without undue delay and to the fullest extent that is reasonably practicable;

(*b*) that the interests of any person for the time being working or developing an invention in India under the protection of a patent are not unfairly prejudiced.

95. *Terms and conditions of compulsory licences.*—(*1*) In settling the terms and cnditions of a licence under section 84, the Controller shall endeavour to secure—

(*i*) that the royalty and other remuneration, if any, reserved to the patentee or other person beneficially entitled to the patent, is reasonable, having regard to the nature of the invention, the expenditure incurred by the patentee in making the invention or in developing it and obtaining a patent and keeping it in force and other relevant factors.

(*ii*) that the patented invention is worked to the fullest extent by the person to whom the licence is granted and with reasonable profit to him;

(*iii*) that the patented articles are made available to the public at reasonable prices.

(2) No licence granted by the Controller shall authorise the licensee to import the patented article or an article or substance made by a patented process from abroad where such importation would, but for such authorisation, constitute an infringement of the rights of the patentee.

(3) Notwithstanding anything contained in sub-section (2), the Central Government may, if in its opinion it is necessary so to do in the public interest, direct the Controller at any time to authorise any licensee in respect of a patent to import the patented article or an article or substance made by a patented process from abroad (subject to such conditions as it considers necessary to impose relating among other matters to the quantum of import, the sale price of the imported article, and the period of importation) and thereupon the Controller shall give effect to the directions.

96. *Licensing of related patents.*—(1) Notwithstanding anything contained in the other provisions of this Chapter, at any time after the sealing of a patent, any person who has the right to work any other patented invention either as patentee or as licensee thereof, exclusive or otherwise may apply to the Controller for the grant of a licence of the first mentioned patent on the ground that he is prevented or hindered without such licence from working the other invention efficiently or to the best advantage possible.

(2) No order under sub-section *(1)* shall be made unless the Controller is satisfied that the applicant is able and willing to grant, or procure the grant to the patentee and his licensees if they so desire of a licence in respect of the other invention on reasonable terms.

(3) When the Controller is satisfied that the conditions mentioned in sub-section *(1)* have been established by the applicant, he may make an order on such terms as he thinks fit granting a licence under the first mentioned patent and a similar order under the other patent if so requested by the proprietor of the first mentioned patent or his licensee.

(4) The provisions of sections 92 and 110 shall apply to licences granted under this section as they apply to licences granted under section 84.

(5) The decision of the Controller shall be subject to appeal to the Central Government.

97. *Special provision for compulsory licences on notification by Central Government.*—(*1*) If the Central Government is satisfied in respect of any patent or class of patents in force that it is necessary or expendient in the public interest that compulsory licences should be granted at any time after the sealing thereof to work the invention or inventions, it may make a declaration to that effect in the Official Gazette, and thereupon the following provisions shall have effect, that is to say—

(*i*) the Controller shall on application made at any time after the notification by any person interested grant to the applicant a licence under the patent on such terms as he thinks fit.

(*ii*) in settling the terms of a licence granted under this section, the Controller shall endeavour to secure that the articles manufactured under the patent shall be available to the public at the lowest prices consistent with the patentees deriving a reasonable advantage from their patent rights.

(*2*) The provisions of sections 92, 93, 94 and 95 shall apply in relation to the grant of licence under this section as they apply in relation to the grant of licences under section 84.

(3) The decision of the Controller shall be subject to appeal to the Central Government.

98. *Order for licence to operate as a deed between parties concerned.*—Any order for the grant of a licence under this Chapter shall operate as if it were a deed granting a licence executed by the patentee and all other necessary parties embodying the terms and conditions, if any, settled by the Controller.

CHAPTER XVII

OF INVENTIONS FOR PURPOSES OF GOVERNMENT AND ACQUISITION OF INVENTIONS BY CENTRAL GOVERNMENT.

99. *Meaning of use of invention for purposes of Government.*—(1) For the purposes of this Chapter, an invention is said to be used for the purposes of Government if it is made, used, exercised or vended for the purposes of the Central Government, a State Government or a Government undertaking or any other undertaking in a class or classes of industries which the Central Government,

having regard to the interests of the general public may notify in this behalf in the Official Gazette.

(2) Nothing contained in this Chapter shall apply in the case of any such use of an invention as is deemed not to constitute an infringement of the patentee's rights under section 48 and under which no royalty or other remuneration is payable to the patentee.

100. ***Power of Central Government to use inventions for purposes of Government.***—(1) Notwithstanding anything contained in this Act, at any time after an application for a patent has been filed at the patent office or a patent has been granted, the Central Government and any person authorised in writing by it, may make, use, exercise or vend the invention for the purposes of Government in accordance with the provisions of this Chapter.

(2) Where an invention has before the priority date of the relevant claim of the complete specification, been duly recorded in a document, or tested or tried, by or on behalf of the Government or a Government undertaking, otherwise than in consequence of the communication of the invention directly or indirectly by the patentee or by a person from whom he derives title, any use of the invention for the purposes of Government may be made free of any royalty or other remuneration to the patentee.

(3) If and so far as the invention has not been so recorded or tried or tested as aforesaid, any use of the invention made by the Central Government or any person authorised by it under sub-section (1), at any time after the acceptance of the complete specification in respect of the patent or in consequence of any such communication as aforesaid, shall be made upon terms as may be agreed upon either before or after the use, between the Central Government or any person authorised under sub-section (1) and the patentee, or, as may in default of agreement be determined by the High Court on a reference under section 103.

(4) The authorisation by the Central Government in respect of an invention may be given under this section, either before or after the patent is granted and either before or after the acts in respect of which such authorisation is given or done, and may be given to any person, whether or not he is authorised directly or indirectly by the applicant or the patentee to make, use, exercise or vend the invention.

(5) Where an invention has been made, used, exercised or vended by or with the authority of the Central Government for the purposes

of Government under this section, then, unless it appears to the Government that it would be contrary to the public interest so to do, the Government shall notify the patentee as soon as practicable after the use has begun and furnish him with such information as to the extent of the making, use, exercise or vending of the invention as he may, from time to time, reasonably require; and where the use of the invention has been for the purposes of a Government undertaking or an undertaking in a class or classes of industries notified by the Central Government under section 99, the Central Government may call for such information as may be necessary for this purpose for such undertaking.

(6) The right to make, use, exercise and vend an invention for the purposes of Government under sub-section (1) shall include the right to sell the goods which have been made in exercise of that right, and a purchaser of goods so sold, and a person claiming through him, shall have the power to deal with the goods as if the Central Government or the person authorised under sub section (1) were the patentee of the invention.

(7) Where in respect of a patent which has been the subject of an authorisation under this section, there is an exclusive licensee as is referred to in sub-section (3) of section 101, or where such patent has been assigned to the patentee in consideration of royalties or other benefits determined by reference to the use of the invention (including payments by way of minimum royalty), the notice directed to be given under sub section (5 shall also be given to such exclusive licensee or assignor as the case may be, and the reference to the patentee in sub-section 3) shall be deemed to include a reference to such assignor or exclusive licensee.

101. Rights of third parties in respect of use of invention for purposes of Government.— (*1*) In relation to any use of a patented invention, or an invention in respect of which an application for a patent is pending, made for the purposes of Government—

(*a*) by the Central Government or any person authorised by the Central Government under section 100; or

(*b*) by the patentee of applicant for the patent to the order made by the Central Government,

the provisions of any licence, assignment or agreement granted or made, whether before or after the commencement of this Act, between the patentee or applicant for the patent (or any person who derives title from him or from whom he derives title) and any person other than the Central Government shall be of no effect so far as those provisions—

(i) restrict or regulate the use for the purposes of Government of the invention, or of any model, document or information relating thereto, or

(ii) provide for the making of payments in respect of any use of the invention or of the model, document or information relating thereto for the purposes of Government (including payments by way of minimum royalty);

and the reproduction or publication of any model or document in connection with the said use for the purposes of Government shall not be deemed to be an infringement of any copyright subsisting in the model or document.

(2) Where the patent, or the right to apply for or obtain the patent, has been assigned to the patentee in consideration of royalties or other benefits determined by reference to the use of the invention (including payments by way of minimum royalty), then, in relation to any use of the invention made for the purposes of Government by the patentee to the order of the Central Government, sub section (3) of section 100 shall have effect as if that use were made by virtue of an authority given under that section; and any use of the invention for the purposes of Government by virtue of sub-section (3) of that section shall have effect as if the reference to the patentee included a reference to the assignor of the patent, and any sum payable by virtue of that sub-section shall be divided between the patentee and the assignor in such proportion as may be agreed upon between them or as may in default of agreement be determined by the High Court on a reference under section 103.

(3) Where by virtue of sub-section (3) of section 100, payments are required to be made by the Central Government or persons authorised under sub-section (1) of that Section in respect of the use of an invention for the purposes of Government and where in respect such patent there is an exclusive licensee authorised under his licence to use the invention for the purposes of Government, such sum shall be shared by the patentee and such licensee in such proportions, if any, as may be agreed upon between them or as may in default of agreement be determined by the High Court on a refrence under section 103 to be just, having regard to any expenditure incurred by the licensee—

(a) in developing the said invention; or (*b*) in making payments to the patentees other than royalties or other benefits determined by reference to the use of the invention, including payments by way of minimum royalty in consideration of the licence.

102. *Acquisition of inventions and patents by the Central Government.*—(1) The Central Government may, if satisfied that it is necessary that an invention which is the subject of an application for a patent or a patent should be acquired from the applicant or the patentee for a public purpose, publish a notification to that effect in the Official Gazette, and thereupon the invention or patent and all rights in respect of the invention or patent shall by force of this section, stand transferred to and be vested in the Central Government.

(2) Notice of the acquisition shall be given to the applicant, and, where a patent has been granted, to the patentee and other persons, if any appearing in the register as having interest in the patent.

(3) The Central Government shall pay to the applicant, or as the case may be, the patentee and other persons appearing on the register as having an interest in the patent such compensation as may be agreed upon between the Central Government and the applicant, or the patentee and other persons; or, as may in default of agreement, be determined by the High Court on a reference under section 103 to be just having regard t the expenditure incurred in connection with the invention and, in the case of a patent, the term thereof, the period during which and the manner in which it has already been worked (including the profits made during such period by the patentee or by his licensee whether exclusive or otherwise) and other relevant factors.

103. *Reference to High Court of disputes as to use for purposes of Government.*—(1) Any dispute as to the exercise by the Central Government or a person authorised by it of the powers conferred by section 100, or as to terms for the use of an invention for the purposes of Government thereunder or as to the right of any person to receive any part of a payment made in pursuance of sub-section (8) of that section or as to the amount of compensation payable for the acquistion of an invention or a patent under section 102, May be referred to the High Court by either party to the dispute in such manner as may be prescribed by the rules of the High Court.

(2) In any proceedings under this section to which the Central Government is a party, the Central Government may—

(*a*) if the patentee is a party to the proceedings, petition by way of counter-claim for revocation of the patent on any ground upon which a patent may be revoked under section 64; and

(*b*) whether a patentee is or is not a party to the proceedings, put in issue the validity of the patent without petitioning for its revocation.

(3) If in such proceedings as aforesaid any question arises whether an invention has been recorded, tested or tried as is mentioned in section 100, and the disclosure of any document regarding the invention, or of any evidence of the test or trial thereof, would, in the opinion of the Central Government, be prejudicial to the public interest, the disclosure may be made confidentially to the advocate of the other party or to an independent expert mutually agreed upon.

(4) In determining under this section any dispute between the Central Government and any person as to terms for the use of an invention for the purposes of Government, the High Court shall have regard to any benefit or compensation which that person or any person from whom he derives title may have received, or may be entitled to receive, directly or indirectly in respect of the use of the invention in question for the purposes of Government.

(5) In any proceedings under this section, the High Court may at any time order the whole proceedings or any question or issue of fact arising therein to be referred to any official referee, commissioner or an arbitrator on such terms as the High Court may direct, and references to the High Court in the foregoing provisions of this section shall be construed accordingly.

(6) Where the invention claimed in a patent was made by a person who at the time it was made was in the service of the Central Government or of a State Government or was an employee of a Government undertaking and the subject matter of the invention is certified by the relevant Government or the principal officer of the Government undertaking to be connected with the work done in the course of the normal duties of the Government servant or employee of the Government undertaking, then, notwithstanding anything contained in this section, any dispute of the nature referred to in sub-section (1) relating to the invention

shall be disposed of by the Central Government conformably to the provisions of this section so far as may be applicable, but before doing so the Central Government shall give an opportunity to the patentee and such other parties as it considers have an interest in the matter to be heard.

CHAPTER XVIII

SUITS CONCERNING INFRINGEMENT OF PATENTS

104. *Jurisdiction.*—No suit for a declaration under section 105 or for any relief under section 106 or for infringement of a patent shall be instituted in any court inferior to a district court having jurisdiction to try the suit.

105. *Power of court to make declaration as to non-infringement.*—(1) Notwithstanding anything contained in section 34 of the Specific Relief Act, 1963, 47 of 1963, any person may institute a suit for a declaration that the use by him of any process, or the making, use or sale of any article by him, does not or would not, constitute an infringement of a claim of a patent against the patentee or the holder of an exclusive licence under the patent, notwithstanding that no assertion to the contrary has been made by the patentee or the licensee if it is shown—

(*a*) that the plaintiff has applied in writing to the patentee or exclusive licensee for a written acknowledgment to the effect of the declaration claimed and has furnished him with full particulars in writing of the process or article in question; and

(*b*) that the patentee or licensee has refused or neglected to give such an acknowledgment.

(2) The costs of all parties in a suit for a declaration brought by virtue of this section shall, unless for special reasons the court thinks fit to order otherwise, be paid by the plaintiff.

(3) The validity of a claim of the specification of a patent shall not be called in question in a suit for a declaration brought by virtue of this section, and accordingly the making or refusal of such a declaration in the case of a patent shall not be deemed to imply that the patent is valid or invalid.

(4) A suit for a declaration may be brought by virtue of this section at any time after the date of advertisement of acceptance of the complete specification of a patent, and references in this section to the patentee shall be construed accordingly.

106. *Power of Court to grant relief in cases of groundless threats of infringement proceedings.*— (1) where any person (whether entitled to or interested in a patent or an application for a patent or not) threatens any other person by circulars or advertisements or by communications, oral or in writing, addressed to that or any other person, with proceedings for infringement of a patent, any person aggrieved thereby may bring a suit against him praying for the following reliefs, that is to say—

(*a*) a declaration to the effect that the threats are unjustifiable;

(*b*) an injunction against the continuance of the threats; and

(*c*) such damages, if any as he has sustained thereby.

(2) Unless in such suit the defendant proves that the acts in respect of which the proceedings were threatend constitute or, if done, would constitute, an infringement of a patent or of rights arising from the publication of a complete specification in respect of a claim of the specification not shown by the plaintiff to be invalid, the court may grant to the plaintiff all or any of the reliefs prayed for.

Explanation —A mere notification of the existence of a patent does not constitute a threat of proceeding within the meaning of this section.

107. *Defences in suits for infringement.*—In any suit for infringement of a patent, every ground on which it may be revoked under section 64 shall be available as a ground for defence.

108. *Reiefs in suits for infringement.*—The reliefs which a court may grant in any suit for infringement include an injunction (subject to such terms, if any, as the court thinks fit) and, at the option of the plaintiff, either damages or an account of profits.

109. *Right of exclusive licensee to take proceedings against infringement.*—(1) The holder of an exclusive licence shall have

the like right as the patentee to institute a suit in respect of any infringement of the patent committed after the date of the licence, and in awarding damages or an account of profits or granting any other relief in any such suit the court shall take into consideration any loss suffered or likely to be suffered by the exclusive licensee as such or, as the case may be, the profits earned by means of the infringement so far as it constitutes an infringement of the rights of the exclusive licensee as such.

(2) In any suit for infringement of a patent by the holder of an exclusive licence under sub-section (1), the patentee shall, unless he has joined as a plaintiff in the suit, be added as a defendant, but a patentee so added as defendant shall not be liable for any costs unless he enters an appearance and takes part in the proceedings.

110. *Right of licensee under section 84 to take proceedings against infringement*.—Any person to whom a licence has been granted under section 84 shall be entitled to call upon the patentee to take proceedings to prevent any infringement of the patent, and, if the patentee refuses or neglects to do so within two months after being so called upon, the licensee may institute proceedings for the infringement in his own name as though he were the patentee, making the patentee a defendant; but a patentee so added as defendant shall not be liable for any costs unless he enters an appearance and takes part in the proceedings.

111. *Restriction on power of court to grant damages or account of profits for infringement.*— (1) In a suit for infringement of a patent damages or an account of profits shall not be granted against the defendant who proves that at date of the infringement he was not aware and had no reasonable grounds for believing that the patent existed.

Explanation.—A person shall not be deemed to have been aware or to have had reasonable grounds for believing that a patent exists by reason only of the application to an article of the word 'Patent', 'Patented' or any word or words expressing or implying that a patent has been obtained for the article, unless the number of the patent accompanies the word or words in question.

(2) In any suit for infringement of a patent the court may, if it thinks fit, refuse to grant any damages or an account of

profits in respect or any infringement committed after a failure to pay any renewal fee within the prescribed period and before any extension of that period.

(3) Where an amendment of a specification by way of disclaimer, correction of explanation has been allowed under this Act after the publication of the specification, no damages or account of profits shall be granted in any proceeding in respect of the use of the invention before the date of the decision allowing the amendment, unless the court is satisfied that the specification as originally published was framed in good faith and with reasonable skill and knowledge.

(4) Nothing in this section shall affect the power of the court to grant an injunction in any suit for infringement of a patent.

112. *Restriction on power of court to grant inguction in certain cases.*—If in proceedings for the infringement of a patent endorsed or deemed to be endorsed with the words "Licences of right" (otherwise than by the importation of the patented article from other countries) the infringing defendant is ready any willing to take a licece upon terms to be settled by the Controller as provided in section 88, no injunction shall be granted against him, and the amount (if any) recoverable against him by way of damages shall not exceed double the amount which would have been recoverable against him as licensee if such a licence had been granted before the earliest infringement.

113 *Certificate of validity of specification and costs of subsequent suits for infringement thereof.*—(1) If in any proceedings before a High Court for the revocation of a patent under section 64 the validity of any claim of a specification is contested and that claim is found by the court to be valid, the Court may certify that the validity of that claim was contested in those proceedings and was upheld.

(2) Where any such certificate has been granted, then, if in any subsequent suit before a court for infringement of that claim of the patent or in any subsequent proceeding for revocation of the patent in so far as it relates to that claim, the patentee or other person relying on the validity of the claim obtains a final order or judgment in his favour, he shall be entitled to an order for the payment of his full costs, charges and expenses of and incidental to any such suit or proceeding properly incurred so

far as they concern the claim in respect of which the certificate was granted, unless the court trying the suit or proceeding otherwise directs.

Provided that the costs as specified in this sub-section shall not be ordered when the party disputing the validity of the claim satisfies the court that he was not aware of the grant of the certificate when he raised the dispute and withdrew forthwith such defence when he became aware of such a certificate.

(3) Nothing contained in this section shall be construed as authorising courts hearing appeals from decrees or orders in suits for infringement or petitions for revocation to pass orders for costs on the scale referred to therein.

114. *Relief for infringement of partially valid specification.*—(1) If in proceedings for infringement of a patent it is found that any claim of the specification, being a claim in respect of which infringement is alleged, is valid, but that any other claim is invalid, the court may grant relief in respect of any valid claim which is infringed:

Provided that the court shall not grant relief except by way of injunction save in the circumstances mentioned in sub-section (2).

(2) Where the plaintiff proves that the invalid claim was framed in good faith and with reasonable skill and knowledge, the court shall grant relief in respect of any valid claim which is infringed subject to the discretion of the court as to costs and as to the date from which damages or an account of profits should be reckoned, and in exercising such discretion the court may take into consideration the conduct of the parties in inserting such invalid claims in the specification or permitting them to remain there.

115. Scientific advisers.—(1) *In any suit for infringement or in any proceeding before a court under this Act, the court may at any time, and whether or not an application has been made by any party for that purpose, appoint an independent scientific adviser to assist the court or to inquire and report upon any such question of fact or of opinion (not involving a question or interpretation of law) as it may formulate for the purpose.*

(2) *The remuneration of the scientific adviser shall be fixed by the court and shall include the costs of making a report and a proper*

daily fee for any day on which the scientific adviser may be required to attend before the court, and such remuneration shall be defrayed out of moneys provided by Parliament by law for the purpose.

CHAPTER XIX

APPEALS

116. ***Appeals.***—(1) No appeal shall lie from any decision, order or direction made or issued under this Act by the Central Government, or from any act or order of the Controller for the purpose of giving effect to any such decision, order or direction.

(2) Save as otherwise expressly provided in sub-section (1), an appeal shall lie to a High Court from any decision, order or direction of the Controller under any of the following provisions, that is to say,

> section 15, section 16, section 17, section 18, section 19, section 20, section 25, section 27, section 28, section 51, section 54, section 57, section 60, section 61, section 63, sub-section (3) of section 69, section 78, section 86 and section 89.

(3) Every appeal under this section shall be in writing and shall be made within three months from the date of the decision, order or direction, as the case may be, of the Controller, or within such further time as the High Court may in accordance with the rules made by it under section 158 allow.

117. ***Procedure for hearing of appeals.***—(1) Every appeal before a High Court under section 116 shall be by petition and shall be in such form and shall contain such particulars as may be prescribed by rules made by the High Court under section 158.

(2) Every such appeal shall be heard by a single Judge of the High Court:

Provided that any such Judge may, if he so thinks fit, refer the appeal at any stage of the proceeding to a Bench of the High Court.

(3) Where an appeal is heard by a single Judge, a further appeal shall lie to a Bench of the High Court.

CHAPTER XX.

PENALTIES.

118. *Contravention of secrecy provisions relating to certain inventions.*—If any person fails to comply with any direction given under section 35 or makes or causes to be made an application for the grant of a patent in contravention of section 39, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both

119. *Falsification of entries in register, etc.*—If any person makes, or causes to be made, a false entry in any register kept under this Act, or a writing falsely purporting to be a copy of an entry in such a register, or produces or tenders, or cause to be produced or tendered, in evidence any such writing knowing the entry or writing to be false, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, or with both.

120. *Unauthorised claim of patent rights.*—If any person falsely represents that any article sold by him is patented in India or is the subject of an application for a patent in India, he shall be punishable with fine which may extend to five hundred rupees.

Explanation 1.—For the purposes of this section, a person shall be deemed to represent—

(*a*) that an article is patented in India if there is stamped, engraved or impressed on, or otherwise applied to, the article the word "patent" or "patented" or some other word expressing or implying that a patent for the article has been obtained in India;

(*b*) that an article is the subject of an applicantion for a patent in India, if there are stamped, engraved or impressed on, otherwise applied to, the article the words "patent applied for", "patent pending", or some other words implying that an application for a patent for the article has been made in India.

Explanation 2.—The use of words "patented", patented" "patent applied for", "patent pending" or other words expressing or implying that an article is patented or that a patent has been applied for shall be deemed to refer to a patent in force in India, or to a pending application for a patent in India, as the case may be, unless there is an accompanying indication that the patent has been obtained or applied for in any country outside India.

121. *Wrongful use of words "patent office'*.—If any person uses on his place of business or any document issued by him or other wise the words "patent office" or any other words which would reasonably lead to the belief that his place of business is, or is officially connected with, the patent office, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, or with both.

122. *Refusal or failure to supply information.*—(1) If any person refuses or fails to furnish—

(*a*) to the Central Government any information which he is required to furnish under sub-section (5) of section 100,

(*b*) to the Controller any information or statement which he is required to furnish under section 146,

he shall be punishable with fine which may extend to one thousand rupees.

(2) If any person, being required to furnish any such information as is referred to in sub-section (1), furnishes information or statement which is false, and which he either knows or has reason to believe to be false or does not believe to be true, he shall be punishable with imprisonment which may extend to six months, or with fine, or with both.

123. *Practice by nonregistered patent agents.*—If any person contravenes the provisions of section 129, he shall be punishable with fine which may extend to five hundered rupees in the case of a first offence and two thousand rupees in the case of a second or subsequent offence.

124. *Offences by companies.*—(1) If the person committing an offence under this Act is a company, the company as well as every person in charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or that the commission of the offence is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a* "company" means any body corporate and includes a firm or other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

CHAPTER XXI

PATENT AGENTS

125. ***Register of patent agents.***—The Controller shall maintain a register to be called the register of patent agents in which shall be entered the names and addresses of all persons qualified to have their names so entered under section 126.

126. ***Qualifications for registration as patent agents.***—A person shall be qualified to have his name entered in the register of patent agents if he fulfils the following conditions, namely,—

(*a*) he is a citizen of India: provided that this clause shall not apply to a person not a citizen of India who possesses the qualifications specified in sub-clause (iii) of clause (c);

(*b*) he has completed the age of 21 years;

(*c*) he has obtained a degree in physical science or engineering from any University in the territory of India or possesses such other equivalent scientific or technical qualifications as the Central Government may specify in this behalf, and, in addition,—

(*i*) is an advocate within the meaning of the Advocates Act. 1961: (25 of 1961.) or (*ii*) has passed the qualifying examination prescribed for the purpose; or

(*iii*) has been practising as a patent agent for a period of not less than five years before the commencement of this Act and has filed not less than twenty complete specifications during that period; or

(*iv*) has served in the office of the Controller as an examiner of patents or in any higher capacity for a period of not less than seven years:

Provided that he had not exercised the functions of a hearing officer for a period exceeding twelve months in all during his tenure of office;

(*d*) he has paid such fee as may be prescribed.

127. *Rights of patent agents.*—Subject to the provisions contained in this Act and in any rules made thereunder, every patent agent whose name is entered in the register shall be entitled—

(*a*) to practise before the Controller, and

(*b*) to prepare all documents, transact all business and discharge such other functions as may be prescribed in connection with any proceeding before the Controller under this Act.

128. *Subscription and verification of certain documents by patent agents.*—(1) Subject to the provisions contained in sub-section (2) and to any rules made under this Act, all applcations and communications to the Controller under this Act may be signed by a patent agent authorised in writing in this behalf by the person concerned.

(2) The following documents, namely,—

(*i*) applications for patents;

(*ii*) applications for the restoration of lapsed patents;

(*iii*) applications for the sealing of patents after the time allowed for that purpose by or under sub-section (2) of section 43 has expired;

(*iv*) applications for leave to amend;

(*v*) applications for compulsory licences or for revocation; and (*vi*) notices of surrender of patents

shall be signed and verified in the manner prescribed by the person making such applications or giving such notices:

Provided that if such person is absent from India, they may be signed and verified on his behalf by a patent agent authorised by him in writing in that behalf.

129. *Restrictions on practice as patent agents.*—(1) No person, either alone or in partnership with any other person, shall practise, describe or hold himself out as a patent agent, or permit himself to be so described or held out, unless he is registered as a patent agent or, as the case may be, unless he and all his partners are so registered.

(2) No company or other body corporate shall practise, describe itself or hold itself out as patent agents or permit itself to be so described or held out,

Explanation.—For the purposes of this section, practise as a patent agent includes any of the following acts, namely:—

(*a*) applying for or obtaining patents in India or elsewhere;

(*b*) preparing specifications or other documents for the purposes of this Act or of the patent law of any other country;

(*c*) giving advice other than of a scientific or technical nature as to the validity of patents or their infringement,

130. *Removal from register of patent agents and restoration.*—(1) The Central Government may remove the name of any person from the register when it is satisfied, after giving that person a reasonable opportunity of being heard and after such further inquiry, if any, as it thinks fit to make—

(*i*) that his name has been entered in the register by errorr or on account of misrepresentation or suppression of material fact;

(*ii*) that he has been convicted of any offence and sentenced to a term of imprisonment or has been guilty of misconduct in his professional capacity which in the opinion of the Central Goverument renders him unfit to be kept in the register,

(2) The Central Government may, on application and on sufficient cause being shown, restore to the register the name of any person removed therefrom.

131. *Power of Controller to refuse to deal with certain agents.*—(1) Subject to any rules made in this behalf, the Controller may refuse to recognise as agent in respect of any business under this Act—

(*a*) any individual whose name has been removed from, and not restored to, the register, or who is for the time being suspended from acting as a patent agent;

(*b*) any person who has been convicted of an offence under section 123;

(*c*) any person, not being registered as a patent agent, who in the opinon of the Controller is engaged wholly or mainly in acting as agent in applying for patents in India or elsewhere in the name or for the benefit of the person by whom he is employed;

(*d*) any campany or firm, if any person whom the Controller could refuse to recognise as agent in respect of any business under this Act, is acting as a director or manager of the company or is a partner in the firm.

(2) The Controller shall refuse to recognise as agent in respect of any business under this Act any person who neither resides nor has a place of business in India.

132. *Savings in respect of other persons authorised to act as agents.*— Nothing in this Chapter shall be deemed to prohibit—

(*a*) the applicant for a patent or any person, not being a patent agent, who is duly authorised by the applicant from drafting any specification or appearing or acting before the Controller; or

(*b*) an advocate, not being a patent agent, from taking part in any proceedings under this Act otherwise than by way of drafting any specification.

CHAPTER XXII

INTERNATIONAL ARRANGEMENTS

133. *Notification as to convention countries.*—(1) With a view to the fulfilment of a treaty' convention or arrangement with any

country outside India which affords to applicants for patents in India or to citizens of India similar privileges as are granted to its own citizens in respect of the grant of patents and the protection of patent rights, the Central Government may, by notification in the Official Gazette, declare such country to be a convention country for the purposes of this Act.

(2) A declaration under sub-section (1) may be made for the purposes either of all or of some only of the provisions of this Act, and a country in the case of which a declaration made for the purposes of some only of the provisions of this Act is in force shall be deemed to be a convention country for the purposes of those provisions only.

134. *Notification as to countries not providing for reciprocity.*—Where any country specified by the Central Government in this behalf by notification in the Official Gazette does not accord to citizens of India the same rights in respect of the grant of patents and the protection of patent rights as it accords to its own nationals, no national of such country shall be entitled, either solely or jointly with any other person,—

(*a*) to apply for the grant of a patent or be registered as the proprietor of a patent;

(*b*) to be registered as the assignee of the proprietor of a patent; or

(*c*) to apply for a licence or hold any licence under a patent granted under this Act.

135. *Convention applications.*—(1) Without prejudice to the provisions contained in section 6, where a person has made an application for a patent in respect of an invention in a convention country (hereinafter referred to as the "basic application"), and that person or the legal representative or assignee of that person makes an application under this Act for a patent within twelve months after the date on which the basic application was made, the priority date of a claim of the complete specification, being a claim based on matter disclosed in the basic application, is the date of making of the basic application.

Explanation.—Where applications have been made for similar protection in respect of an invention in two or more convention countries, the period of twelve months referred to in this sub-section shall be reckoned from the date on which the earlier or earliest of the said applications was made.

(2) Where applications for protection have been made in one or more convention countries in respect of two or more inventions which are cognate or of which one is a modification of another, a single convention application may, subject to the provisions contained in section 10, be made in respect of those inventions at any time within twelve months from the date of the earliest of the said applications for protection:

Provided that the fee payable on the making of any such application shall be the same as if separate applications have been made in respect of each of the said inventions, and the requirements of clause (*b*) of sub-section (1) of section 136 shall, in the case of any such application, apply separately to the applications for protection in respect of each of the said inventions.

136. *Special provisions relating to convention applications.*—(1) Every convention application shall—

(*a*) be accompanied by a complete specification; and

(*b*) specify the date on which and the convention country in which the application for protection, or, as the case may be, the first of such applications was made; and

(*c*) state that no application for protection in respect of the invention had been made in a convention country before that date by the applicant or by any person from whom he derives title.

(2) Subject to the provisions contained in section 10, a complete specification filed with a convention application may include claims in respect of developments of, or additions to, the invention in respect of which the application for protection was made in a convention country, being developments or additions in respect of which the applicant would be entitled under the provisions of section 6 to make a separate application for a patent.

(3) A convention application shall not be post-dated under sub-section (1) of section 17 to a date later than the date on which under the provisions of this Act the application could have been made.

137. *Multiple priorities.*—(1) Where two or more applications for patents in respect of inventions have been made in one or more convention countries and those inventions are so related as to constitute one invention, one application may be made by any or all of the persons referred to in sub-section (1) of section 135

within twelve months from the date on which the earlier or earliest of those applications was made, in respect of the inventions disclosed in the specifications which accompanied the basic applications.

(2) The priority date of a claim of the complete specification, being a claim based on matters disclosed in one or more of the basic applications, is the date on which that matter was first so disclosed.

(3) For the purposes of this Act, a matter shall be deemed to have been disclosed in a basic application for protection in a convention country if it was claimed or disclosed (otherwise than by way of disclaimer or acknowledgment of a prior act) in that application, or any documents submitted by the applicant for protection in support of and at the same time as that application, but no account shall be taken of any disclosure effected by any such document unless a copy of the document is filed at the patent office with the convention application or within such period as may be prescribed after the filing of that application.

138. *Supplementary provisions as to convention applications.*—(1) Where a convention application is made in accordance with the provisions of this Chapter, the applicant shall furnish, in addition to the complete specification, copies of the specifications or corresponding documents filed or deposited by the applicant in the patent office of the convention country in which the basic application was made, certified by the official chief or head of the patent office of the convention country, or otherwise verified to the satisfaction of the Controller, along with the application or within three months thereafter, or within such further period as the Controller may on good cause allow.

(2) If any such specification or other document is in a foreign language, a translation into English of the specification or document, verified by affidavit or otherwise to the satisfaction of the Controller, shall be annexed to the specification or document.

(3) For the purposes of this Act, the date on which an application was made in a convention country is such date as the Controller is satisfied, by certificate of the official chief or head of the patent office of the convention country or otherwise, is the date on which the application was made in that convention country.

139. *Other provisions of Act to apply to convention applications.*—Save as otherwise provided in this Chapter, all the provisions

of this Act shall apply in relation to a convention application and a patent granted in pursuance thereof as they apply in relation to an ordinary application and a patent granted in pursuance thereof.

CHAPTER XXIII.

MISCELLANEOUS.

140. *Avoidance of certain restrictive conditions.*—(1) It shall not be lawful to insert—

(*i*) in any contract for or in relation to the sale or lease of a patented article or an article made by a patented process; or

(*ii*) in a licence to manufacture or use a patented article; or

(*iii*) in a licence to work any process protected by a patent, a condition the effect of which may be—

(*a*) to require the purchaser, lessee, or licensee to acquire from the vendor, lessor, or licensor, or his nominees, or to prohibit him from acquiring or to restrict in any manner or to any extent his right to acquire from any person or to prohibit him from acquiring except from the vendor, lessor, or licensor or his nominees, any article other than the patented article or an article other than that made by the patented process; or

(*b*) to prohibit the purchaser, lessee or licensee from using or to restrict in any manner or to any extent the right of the purchaser, lessee or licensee, to use an article other than the patented article or an article other than that made by the patented process, which is not supplied by the vendor, lessor or licensor or his nominee; or

(*c*) to prohibit the purchaser, lessee or licensee from using or to restrict in any manner or to any extent the right of the purchaser, lessee or licensee to use any process other than the patented process;

and any such condition shall be void.

(2) A condition of the nature referrd to in clause (*a*) or clause (*b*) or clause (*c*) of sub-section (1) shall not cease to be a condition falling within that sub-section merely by reason of the fact that the agreement containing it has been entered into separately, whether before or after the contract relating to the sale, lease or licence of he patented article or process.

(3) In proceedings against any person for the infringement of a patent, it shall be a defence to prove that at the time of the infringement there was in force a contract relating to the patent and containing a condition declared unlawful by this section:

Provided that this sub section shall not apply if the plaintiff is not a party to the contract and proves to the satisfaction of the court that the restrictive condition was inserted in the contract without his knowledge and consent, express or implied.

(4) Nothing in this section shall—

(*a*) affect a condition in a contract by which a person is prohibited from selling goods other than those of a particular person;

(*b*) validate a contract which, but for this section, would be invalid;

(*c*) affect a condition in a contract for the lease of or licence to use a patented article, by which the lessor or licensor reserves to himself or his nominee the right to supply such new parts of the patented article as may be required or to put or keep it in repair.

(5) The provisions of this section shall also apply to contracts made before the commencement of this Act if, and in so far as any restrictive conditions declared unawful by this section conitinue in force after the expiration of three months from such commencement.

141. *Determination of certain contracts.*—(1) Any contract for the sale or lease of a patented article or for licence to manufacture, use or work a patented article or process, or relating to any such sale, lease or licence, whether made before or after the commencement of this Act, may at any time after the patent or all the patents by which the article or process was protected at the time of the making of the contract has or have ceased to be in force, and notwithstanding anything to the contrary in the contract or in any other contract, be determined by the purchaser lessee, or licensee, as the case may be, of the patent on giving three months, notice in writing to the other party.

(2) The provisions of this section shall be without prejudice to any right of determining a contract exercisable apart from this section.

142. *Fees.*—(1) There shall be paid in respect of the grant of patents and applications therefor, and in respect of other matters in relation to the grant of patents under this Act, such fees as may be prescribed by the Central Government.

(2) Where a fee is payable in respect of the doing of an act by the Controller, the Controller shall not do that act until the fee has been paid.

(3) Where a fee is payable in respect of the filing of a document at the patent office, the document shall be deemed not to have been filed at the office until the fee has been paid.

(4) Where a principal patent is granted later than two years from the date of the application for patent, the fees which have become due in the meantime may be paid within a term of three months from the date of the recordal of the patent in the register.

143. *Restrictions upon publication of specifications.*—Subject to the provisions of Chapter VII, an application for a patent, and any specification filed in pursuance thereof, shall not, except with the consent of the applicant, be published by the Controller or be open to public inspection at any time before the date of advertisement of acceptance of the application in pursuance of section 23.

144. *Reports of examiners to be confidential.*—The reports of examiners to the Controller under this Act shall not be open to public inspection or be published by the Controller; and such reports shall not be liable to production or inspection in any legal proceeding unless the court certifies that the production or inspection is desirable in the interests of justice, and ought to be allowed:

Provided that the Controller may, on application made in the prescribed manner, by any person, disclose the result of any search made under section 13 in respect of any application for a patent where the complete specification has been published.

145. *Publication of patented inventions.*—The Controller shall issue periodically a publication of patented inventions containing such information as the Central Government may direct.

146. *Power of Controller to call for information from patentees.*—The Controller may, at any time during the continuance of the patent, by notice in writing, require a patentee or a licensee, exclusive or otherwise, to furnish to him within two months from

the date of such notice or within such further time as the Controller may allow, such information or such periodical statements as to the extent to which the patented invention has been commercially worked in India as may be specified in the notice.

147. *Evidence of entries, documents, etc.*—(1) A certificate purporting to be signed by the Controller as to any entry, matter or thing which he is authorised by this Act or any rules made thereunder to make or do, shall be *prima facie* evidence of the entry having been made and of the contents thereof and of the matter or thing having been done or omitted to be done.

(2) A copy of any entry in any register or of any document kept in the patent office or of any patent, or an extract from any such register or document, purporting to be certified by the Controller and sealed with the seal of the patent office shall be admitted in evidence in all courts, and in all proceedings, without further proof or production of the original.

(3) The Controller or any other officer of the patent office shall not, in any legal proceedings to which he is not a party, be complelable to produce the register or any other document in his custody, the contents of which can be proved by the production of a certified copy issued under this Act or to appear as a witness to prove the matters therein recorded unless by order of the court made for special causes.

148. *Declaration by infant, lunatic, etc.*—(1) If any person is, by reason of minority, lunacy or other disability, incapable of making any statement or doing anything required or permitted by or under this Act, the lawful guardian, committee or manager (if any of the person subject to the disability, or if there be none, any person appointed by any court possessing jurisdiction in respect of his property, may makes such statement or a statement as nearly corresponding thereto as circumstances permit and do such thing in the name and on behalf of the person subject to the disability.

(2) An appointment may be made by the court for the purposes of this section upon the petition of any person acting on behalf of the person subject to the disability or of any other person interested in the making of the statement or the doing of the thing.

149. *Service of notices, etc, by post.*—Any notice required or authorised to be given by or under this Act, and any application or other document so authorised or required to be made or filed, may be given, made or filed by post.

150. *Security for costs.*—If any party by whom notice of any opposition is given under this Act or by whom application is made to the Controller for the grant of a licence under a patent neither resides nor carries on business in India, the Controller may require him to give security for the costs of the proceedings, and in default of such security being given may treat the opposition or application as abandoned.

151. *Transmission of orders of courts to Controller*—(1) Every order of the High Court on a petition for revocation, including orders granting certificates of validity of any claim, shall be transmitted by the High Court to the Controller who shall cause an entry thereof and reference thereto to be made in the register.

(2) Where in any suit for infringement of a patent or in any suit under section 106 the validity of any claim or a specification is contested and that claim is found by the court to be valid or not valid, as the case may be, the court shall transmit a copy of its judgment and decree to the Controller who shall on receipt thereof cause an entry in relation to such proceeding to be made in the prescribed manner in a supplemental record.

(3) The provisions of sub-sections (1) and (2) shall also apply to the court to which appeals are preferred against decisions of the courts referred to in those sub-sections.

152. *Transmission of copies of specifications, etc., and inspection thereof.*—Copies of all such specifications, drawings and amendments left at the patent office as become open to public inspection under the provisions of this Act, shall be transmitted, as soon as may be, after the printed copies thereof are available, to such authorities as the Central Government may appoint in this behalf, and shall be open to the inspection of any person at all reasonable times at places to be specified by those authorities and which the approval of the Central Government.

153- *Information relating to patents.*—A person making a request to the Controller in the prescribed manner for information relating to any such matters as may be prescribed as respects any patent specified in the request or as respects any application for a patent so specified shall be entitled, subject to the payment of the prescribed fee, to have information supplied to him accordingly.

154. *Loss or destruction of patent.*—If a patent is lost or destroyed, or its non-production is accounted for to the satisfaction

of the Controller, the Controller may at any time, on application made in the prescribed manner and on payment of the prescribed fee, cause a duplicate thereof to be sealed and delivered to the applicant.

155. *Reports of Controller to be placed before Parliament.*—The central Government shall cause to be placed before both Houses of Parliament once a year a report respecting the execution of this Act by or under the Controller.

156. *Patent to bind Government.*—Subject to the other provisions contained in this Act, a patent shall have to all intents the like effect as against Government as it has against any person.

157. *Right of Governmet to sell or use forfeited articles.*—Nothing in this Act shall effect the power of the Government or of any person deriving title directly or indirectly from the Government to sell or use any articles forfeited under any law for the time being in force.

158. *Power of High Courts to make rules.*—The High Court may make rules consistent with this Act as to the conduct and procedure in respect of all proceedings before it under this Act.

159. *Power of Central Government to make rules.*—(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing power, the Central Government may make rules to provide for all or any of the following matters, namely :—

(*i*) the form and manner in which any application for a patent, any specifications or drawings and any other application or document may be filed in the patent office ;

(*ii*) the time within which any act or thing may be done under this Act, including the manner in which and the time within which any matter may be advertised under this Act ;

(*iii*) the fees which may be payable under this Act and the manner of payment of such fees ;

(*iv*) the matters in respect of which the examiner may make a report to the Controller ;

(*v*) the form of request for the sealing of a patent ;

(*vi*) the form and manner in which and the time within which any notice may be given under this Act ;

(*vii*) the provisions which may be inserted in an order for restoration of a patent for the protection of persons who may have availed themselves of the subject-matter of the patent after the patent had ceased ,

(*viii*) the establishment of branch offices of the patent; office and the regulation generally of the business of the patent office, including its branch offices

(*ix*) the maintenance of the register of patents and the matters to be entered therein ,

(*x*) the matters in respect of which the Controller shall have powers of a civil court ;

(*xi*) the time when and the manner in which the register and any other document open to inspection may be inspected under this Act ;

(*xii*) the qualifications of, and the preparation of a roll of scientific advisers for the purpose of section 115 ;

(*xiii*) the form and manner in which appeals from the orders, decisions or directions of the Controller may be preferred to the Central Government, the procedure to be followed in connection therewith and the manner in which such appeals may be heard and disposed of by the Central Government ;

(*xiv*) the manner in which any compensation for acquisition by Government of an invention may be paid ,

(*xv*) the manner in which the register of patent agents may be maintained; the conduct by qualifying examinations for patent agents; and matters connected with their practice and conduct, including the taking of disciplinary proceedings against patent agents for misconduct;

(*xvi*) the regulation of the making, printing, publishing and selling of indexes to, and abridgments of, specifications and other documents in the patent office; and the inspection of indexes and abridgments and other documents;

(*xvii*) any other matter which has to be or may be prescribed.

(3) The power to make rules under this section shall be subject to the condition of the rules being made after previous publication.

160. *Rules to be placed before Parliament.*—Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and, if before the expiry of the session in which it is so laid or in the session immediately following both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

161. *Special provisions with respect to certain applications deemed to have been refused under Act 2 of 1911.*—(*1*) Where, as a result of action taken by the Controller under section 12 of the Atomic Energy Act, 1948 (29 of 1948) or under section 20 of the Atomic Energy Act, 1962 (37 of 1962) an application for a patent made before the commencement of this Act could not be accepted within the time specified for the purpose in the Indian Patent and Designs Act, 1911 (2 of 1911) (hereafter in this section referred to as the repealed Act), and, consequently, was deemed to have refused by reason of sub-section (4) of section 5 of the repealed Act, the application may, if the applicant, or, if he is dead his legal representative, makes a request in that behalf to the Controller in the prescribed manner within three months from the commencement of this Act, be revived and shall be disposed of as if it were an application pending at the commencement of this Act to which the provisions of this Act apply by reason of sub-section (3) of section 162.

(2) The Controller may, before proceeding to act upon any such request as is referred to in sub-section (1), refer the matter to the Central Government for directions as to whether the invention is one relating to atomic energy and shall act in conformity with the directions issued by it.

(3) Where in pursuance of any such application as is referred to in sub-section (1) a patent is granted, the rights of the patentee shall be subject to such conditions as the Controller

thinks fit to impose for the protection or compensation of persons who may have begun to avail themselves of, or have taken definite steps by contract or otherwise to avail themselves of, the patented invention before the date of advertisement of the acceptance of the complete specification.

(4) No suit or other proceeding shall be commenced or prosecuted in respect of an infringement of a patent committed before the date of advertisement of the acceptance of the complete specification.

162. *Repeal of Act 2 of 1911 so far as it relates to patents and savings.*—(1) The Indian Patents and Designs Act, 1911, in so far as it relates to patents, is hereby repealed, that is to say, the said Act shall be amended int he manner specified in the Schedule.

(2) Notwithstanding the repeal of the Indian Patents and Designs Act, 1911, in so far as it relates to patents, the provisions of section 21A of that Act and of any rules made thereunder shall continue to apply in relation to any patent granted before the commencement of this Act in pursuance of that section.

(3) Save as otherwise provided in sub-section (2), the provisions of this Act shall apply to any application for a patent pendings at the commencement of this Act and to any proceedings consequent thereon and to any patent granted in pursuance thereof.

(4) The mention of particular matters in this section shall not prejudice the general application of the General Clauses Act, 1897 (10 of 1897) with respect to repeal.

163. *Amendment of Act 43 of 1958.*—In sub-section (1) of section 4 of the Trade and Merchandise Marks Act, 1958, the words and figures "and the Controller of Patents and Designs for the purposes of the Indian Patents and Designs Act, 1911" (2 of 1911) shall be omitted.

THE SCHEDULE.

[See section 162]

AMENDMENTS TO THE INDIAN PATENTS AND DESIGNS ACT, 1911.

1. Long title—Omit "Inventions and".
2. Preamble—Omit "Inventions and".
3. Section 1—In sub-section (1) omit "Indian Patents and
4. Section 2—
    (a) omit clause (1),
    (b) in clause (2) omit " (as respects designs)";
    (c) for clause (3), substitute—

'(3) "Controller" means the Controller General of Patents, Designs and Trade-Marks appointed under sub-section (1) of section 4 of the Trade and Merchandise Marks Act, 1958, (43 of 1958)",

(d) in clause (5) for "trade mark as defined in section 478", substitute " trade mark as defined in clause (v) of sub-section (1) of section 2 of the Trade and Merchandise Marks Act, 1958 (43 of 1958");

(e) omit clause (6);

(f) in clause (7), after sub-clause (e) insert—

"(f) in relation to the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu, the High Court of Bombay:

(g) in relation to the Union territory of Pondicherry the High Court of Madras,";

(g) omit clause (8) (10) and (11);

(h) for clause (12), substitute—

'(12) "Patent Office' means the patent office established under the Patents Act, 1965.'.

5. Omit Part I.

6. For section 51B, substitute—

"51B. *Designs to bind Government.*—A registered design shall have to all intents the like effect as against Government as it has against any person and the provisions of Chapter XVII of the Patents Act, 1965 shall apply to registered designs as they apply to patents."

7. In section 54, for "The provisions of this Act" substitute "The provisions of the Patents Act, 1965"

8. Omit sections 55 and 56.

9. Section 57—For sub-section (1), substitute—

"(1) There shall be paid in respect of the registration of designs and applications therefor and in respect of other matters relating to designs under this Act such fees as may be prescribed by the Central Government.".

10. Omit section 59A.

11. Section 61—Omit sub-section (*1*).

12. For section 62, substitute—

"62. *Power of Controller to correct clerical errors.*—The Controller may, on request in writing accompanied by the prescribed fee, correct any clerical error in the representation of a design or in the name or address of the proprietor of any design or in any other matter which is entered upon the register of designs."

13. Section 63—

(*a*) in sub-section (*1*), omit "to a patent or" and "patent or";

(*b*) in sub-section (*2*), omit "patent or" and for "patents or designs, as the case may be,", substitute "designs,";

(*c*) in sub-section (*3*), omit "patent or" wherever that expression occurs;

(*d*) in sub-section (4), omit "to a patent or"

14. Section 64—

(*a*) in sub-section (*1*), omit "patents or" and omit "either" wherever that word occurs;

(*b*) in sub-section (5), omit clause (*a*).

15. Omit section 66.

16. Section 67—Omit "for a patent, or for amendment of an application or of a specification, or,"

17. Section 69—In sub-section (*1*), omit "to grant a patent for an invention or"

18. Section 71A—Omit "or from patents, specifications and other".

19. Omit section 72.

20. Omit sections 74A and 75.

21. Section 76—

(*a*) in sub-section (*1*), omit "other";

(*b*) in sub-section (*2*), in clause (*c*), omit "opponent".

22. Section 77—

(*a*) in sub-section (1)--

(*i*) in clauses (*c*) and (*d*), omit "specifications";

(*ii*) for clause (*e*), substitute—

"(*e*) providing for the inspection of documents in the patent office and for the manner in which they may be published;";

(*iii*) omit clause (*eee*) ;

(*b*) omit sub-section (*2A*)

23. Omit section 78.

24. For section 78A, substitute—

"78A. *Reciprocal arrangement with United Kingdom and other Commonwealth countries.*—(1) Any person who has applied for protection for any design in the United Kingdom or his legal representative or assignee shall, either alone or jointly with any other person be entitled to claim that the registration of the said design under this Act shall be in priority to other applicants and shall have the same date as the date of the application in the United Kingdom:

Provided that—

(*a*) the application is made within six months from the application for protection in the United Kingdom; and

(*b*) nothing in this section shall entitle the proprietor of the design to recover damages for infringements happening prior to the actual date on which the design is registered in India.

(2) The registration of a design shall not be invalidated by reason only of the exhibition or use of, or the publication of a description or representation of, the design in India during the

period specified in this section as that within which the application may be made.

(3) The application for the registration of a design under this section must be made in the same manner as an ordinary application under this Act.

(4) Where it is made to appear to the Central Government that the legislature of any such Commonwealth country as may be notified by the Central Government in this behalf has made satisfactory provision for the protection of designs registered in India, the Central Government may by notification in the Official Gazette, direct that the provisions of this section, with such variations or additions, if any, as may be set out in such notification, shall apply for the protection of designs registered in that Commonwealth country. ":

25. Omit the Schedule.

STATEMENT OF OBJECTS AND REASONS

The law relating to patents now on the statute book was enacted in 1911 and since then there have been substantial changes in the political and economic conditions of the country. Although the Act has been in force for a very long period, it has not achieved its main purpose of stimulating inventions among Indians and encouraging the development and exploitation of new inventions for industrial progress in this country. The need for a more comprehensive law so as to ensure that patent rights are not worked to the detriment of the consumer or to the prejudice of the trade or the industrial development of the country was felt as early as 1948 and in that year the Government appointed a Committee known as the Patents Enquiry Committee to review the working of the patents law in India with a view to ensure that the patent system became more conducive to national interests. An interim report of that Committee made in 1949 suggested the immediate amendment of the Indian Patents and Designs Act, 1911, so as to counteract the misuse or abuse of patent monopoly in India by the enactment of provisions for compulsory licensing. The recommendations contained in that interim report were given effect to by the Indian Patents and Designs (Amendment) Act, 1950. The final report of the Committee was presented to Government in 1950, and based on the final report a Bill further to amend the Indian Patents and Designs Act, 1911, was intorduced in the Lok Sabha on the 7th December, 1953. While the Bill was pending, a further examination of the law revealed that the Bill would need extensive amendments and consequently it was not proceeded with and was allowed to lapse on the dissolution of the First Lok Sabha.

2. In 1957, the Government of India requested Shri N. Rajagopala Ayyangar, now a retired Judge of the Supreme Court, to examine afresh the law of patents in India and advise the Government on the changes necessary. The present Bill which is based mainly on the recommendations contained in his comprehensive report, incorporates a few further changes in the light of further examination particularly with reference to patents for food, medicines and drugs.

3. The Notes on Clauses explain in detail the various provisions contained in the Bill.

T. N. SINGH

NEW DELHI;
The 1st September, 1965.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter No. 14 (1)-T.M.P./64-P&D, dated the 7th September, 1965 from Shri T.N. Singh, Minister of Industry in the Ministry of Industry and Supply to the Secretary, Lok Sabha.]

The President having been informed of the subject matter of the proposed Patents Bill, 1965, recommends consideration of the Bill in the Lok Sabha under article 117 (3) of the Constitution of India.

Notes on clauses

Clause 2.—The definition of 'invention' in the existing Act has been modified so as to represent more accurately the existing position as defined by case-law. Several new definitions have also been included. For example, a definition of 'person' has been included in order to remove any doubt as to whether it includes the Government. A definition of 'Government undertaking' has become necessary in view of the occurrence of this expression in several places in the Bill. In the new definition of 'true and first inventor' it is made clear that it does not include the first importer of the invention and the first communicatee from abroad.

Clause 3.—In this clause are set out the several types of inventions or alleged inventions which are regarded universally or almost universally as not being patentable. In view of the non-availability of case-law on the subject in India, it would be advantageous to codify this part of the law as generally understood and applied.

Clause 4.—For making this law self-contained, a reference to section 20 of the Atomic Energy Act, 1962, is included under which no patent can be granted for inventions relating to atomic energy.

Clause 5.—In the case of inventions relating to baby and invalid food, medicines and drugs it would not be in the interests of an under developed country like India to grant patents in respect of the substances themselves. But there is no such objection in relation to the processes involved. This clause accordingly restricts patentability to the processes involved in the manufacture or production of such substances.

Clause 6.—This replaces sub-section (1) of section 3 of the existing Act, but has been remodelled on the lines of section 34 of the Australian patents Act, 1952 and section 1 of the U.K. patents Act., 1949, by expressly including assignees, legal representatives, etc., among persons entitled to apply for patents.

Clause 7 dealing with the form of application seeks to make it clear that every application shall be for one invention only.

Clause 8.—As the majority of the applicants for patents in India are foreign nationals and as in several cases the application in India is for the same or substantially the same invention as that for which a patent has already been applied for in a freign country, this clause seeks to ensure that all relevant information as respects such foreign invention is made available to the Controller for the purpose of disposing of questions relating to novelty of invention, patentability, etc.

Clause 9.—This clause replaces section 4A of the existing Act. The increase in the time limit, namely, fifteen months in all in sub-clause (1) should benefit Indian nationals to get the complete specifications in proper order for being filed.

Clause 10.—This clause dealing with contents of specifications corresponds to section 4 of the existing Act but has been amplified in the light of section 4 of the U.K. Patents Act, 1949.

Clause 11.—This clause seeks to make provision respecting the priority date for each claim of a complete specification and is based on section 5 of the U.K. Patents Act, 1949, and sections 44 and 45 of the Australian Patents Act, 1952, but its scope is enlarged in order to provide for the various contingencies which may arise in the determination of the priority date for each such claim.

Clauses 12 *and* 13.—The existing Act does not contain any specific provision requiring the Controller to make a compulsory search for ascertainiing the novelty of an invention before its acceptance. These clauses make it obligatory for searches to be made by the patent office in respect of all patent applications. Anticipation by publication is not to be confined to publication in India as at present and publication of an invention in India or any foreign country before the priority date claimed would constitute anticipation. Such a provision will enhance the commercial value attached to Indian patents.

Clause 14.—This clause is intended to make it clear that the applicant should be given an opportunity of being heard before any objections raised by the examiner are up held by the Controller.

Clause 15 deals with the cases or circumstances in which an application for patent may be refused by the Controller.

Clauses 16 *to* 20.—Apart from the power to refuse an application, these clauses deal with the powers of the Controller to pass other suitable orders.

Under clause 16, where an application and the claims based thereon relate to more than one invention, the Controller may allow the applicant to amend the complete specification by confining it to a single invention.

Clause 17 deals with powers of the Controller for the purpose of post-dating applications.

Clause 18 deals with the powers of the Controller in cases of anticipation.

Clause 19 deals with the powers of the Controller in cases where an invention cannot be performed without risk of infringement of some claim of an earlier patent.

Clause 20 deals with cases where substitution in the names of applicants becomes necessary.

Clause 21.—This clause provides for the maximum limit of time within which an application or a complete specification should be accepted if the application is not to be regarded as abandoned. As the subject-matter in all these cases is the complete specification, time should commence to run from the date of the complete specification and not from the date of the application as under section 5 (4) of the existing Act. It would also be necessary to provide for further extension of time where delay takes place in the office of the Controller by reason of the investigations to be made by the examiner. Sub-clause (2) contains the necessary provisions in this behalf.

Clause 22 makes provisions similar to those contained in section 13 (1) of the U. K. Patents Act, 1949, as respects acceptance of complete specification.

Clause 23 deals with advertisement of acceptance of the complete specification and replaces section 6 of the existing Act.

Clause 24.—This corresponds to section 7 of the existing Act except that the rights and privileges of the applicant commence not from the date of the acceptance of the application as in the existing Act but from the date of the acceptance of the complete specification.

Clause 25.—This clause purports to retain the existing procedure for opposition to the grant of patents as being necessary in the public interest, at the same time enlarging the grounds for opposition mentioned in section 9 of the existing Act.

Clause 26 deals with cases of 'obtaining' which are brought to light in opposition proceedings and seeks to authorise the Controller to deal suitably with the opponent's claim in such cases.

Clause 27.—This clause, modelled on section 15 of the U. K. Patents Act, 1949, would be useful where anticipatory publications are brought to the notice of the Controller with the informant filing a formal opposition to the grant.

Clause 28.—This clause seeks to give recognition to the right of the first inventor to be mentioned in the patent, if he so desires, although he may have parted with his proprietary interest therein.

Clauses 29 *to* 34 seek to afford guidance to the Controller in determining what constitutes anticipation under the other provisions of the law (for example, clause 13).

Clauses 35 *to* 42.—These clauses replace in a more comprehensive manner section 21A of the existing Act and are intended to secure that inventions relevant for defence purposes which are the subject matter of applications for patents are in the interests of national security kept secret. Any secrecy orders passed by the Controller in respect of such inventions are to be notified to the Central Government and are to be periodically reviewed. Though applications which are subject to secrecy directions may proceed up to the stage of acceptance they may not be advertised and no patent shall be granted in respect thereof. It is also provided that no person resident in India shall, except with the prior permission of the Controller apply for a patent outside India unless an application for patent for the same invention has been made in India not less than eight weeks before the application outside India and either no secrecy directions have been made in India or such directions have been revoked. Any contravention of secrecy directions will, apart from any criminal liability, render the applicant ineligible to proceed with the application. Payment by way of solatium is also provided for an applicant who may suffer hardship by reason of any secrecy directions.

Clause 43.—This clause seeks to replace section 10 of the existing Act in a modified form. Incidentally it removes the overall time limit specified in section 10 (2) for the sealing of a patent as being too short and unnecessary.

Clause 45.—This clause replaces section 11 of the existing Act and makes the date of filing of the complete specification the date of the patent and not the date of the application as in the existing Act. [Compare section 22 (1) of the U.K. Patents Act, 1949 and section 67 (1) of the Australian Patents Act, 1952].

Clause 46 replaces section 12 of the existing Act relating to the effect, extent and form of patent in a modified form.

Clause 47 seeks to define in clear terms the rights of a patentee, rights which have at present to be determined with reference to decided cases. In the case of a patent for a process it is sought to be made clear that the patentee has the exclusive right to the sale in India of articles made by the patented process. Such a provision would be of advantage to Indian patentees.

Clause 48 is intended to clarify the rights of research workers and the like to use the invention in the course of research as distinguished from use for commercial purposes. It also seeks to provide that import of medicines or drugs or medical equipment by Government for its own purpose or the production of a patented article by Government for its own use shall not be regarded as an infringement of patent rights.

Clause 49 replaces section 42 of the existing Act and at the same time seeks to ensure reciprocity.

Clause 50.—This clause which is in modification of section 37 of the existing Act, seeks to define the rights *inter se* of joint patentees and follows section 54 of the U.K. Patents Act, 1949. In addition to cases where a patent has been granted to two or more persons, this clause also covers cases where registered ownership in a patent has arisen by assignment or devolution.

Clause 51 modelled on section 55 of the U.K. Patents Act, 1949' seeks to authorise the Controller to give directions to co-owners with respect to the exercise of their rights wherever necessary.

Clause 52 seeks to replace section 13 (2) of the existing Act and provides for cases where patents have to be revoked in favour of the true and first inventor.

Clause 53 seeks to replace section 14 of the existing Act with suitable modifications. The term of every patent hereafter would be 14 years and not 16 years as hithertofore; but in the case of patents in the field of baby and invalid foods, medicines and drugs, where the process alone will hereafter be patentable, the trem will be 10 years. The term of existing patents in this field would be limited to 10 years from the date of the patent.

Clauses 54, 55 *and* 56.—Modelled on section 26 of the U.K. Patents Act, 1949, these clauses considerably modify section 15A of the existing Act dealing with the grant of patents of addition in respect of improvements and modifications.

Clauses 57 *to* 59 deal with amendments of complete specifications before the Controller and before the High Court and correspond to sections 29 to 31 of the U.K. Patents Act, 1949. The scope of permissible amendments before and after acceptance of a complete specification is dealt with in clause 59. It is sought to be made clear that the scope of permisible amendments after acceptance of the complete specification cannot be wider or larger than that of an unamended specification

Clauses 60 to 62 replace section 16 of the existing Act and seek to deal more elaborately with restoration in certain circumstnces of lapsed patents and the procedure to be followed and the conditions which may be imposed in connection with such restorations.

Clause 63 deals with voluntary surrender of patents. It is now provided that in addition to the offer of surrender being advertised all persons interested in the patent should be notified and their opposition, if any, considered before the surrender is accepted.

Cluase 64 deals with revocation of patents and replaces section 26 of the existing Act. It is now proposed that proceedings for revocation should lie only in the High Court. The grounds for revocation are now amplified in the light of experience gained and prevailing conditions. Under this clause it would be open to any person interested and also to the Central Government to apply for revocation.

Clause 65 is new and seeks to empower the Controller to revoke a patent or to have the complete specification amended where the invention relates to atomic energy.

Clause.—66 This reproduces section 25 of the existing Act with suitable safeguards and is a useful provision for the furtherance of the country's national economy.

Clause 67 seeks to provide for the maintenance of a patent register and the particulars be to entered therein.

Clause 68 seeks to provide that every transaction relating to patents which is registrable should be entered in the register as soon as possible after the transaction is entered into. At present while patent registers furnish complete information as regards proprietary interests, the same cannot be said of licences and other interests.

Clauses 69 *and* 70 deal with the registration of proprietary interests in patents and the power of registered grantees or proprietors to deal with such patents.

Clause 71 seeks to provide for the rectification of registers by the High Court.

Clause 72 seeks to declare that the register shall be open to public inspection.

Clauses 73 to 76 deal with the establishment of a patent office. Clause 75 which is new seeks to disqualify employees of the patent office from acquiring any interest in patents except by way of inheritance or bequest. Clause 76, which is also new, requires the employees of the patent office (upon pain of punishment) to observe secrecy in respect of confidential information and documents to which they may have access in the discharge of their duties.

Clauses 77 to 81 deal with the general powers of the Controllor and their exercise. The powers include a power to correct clerical errors in patents or in specifications or in other documents or in the register.

Clause 82 contains certain special definitions. For the purposes of Chapter XVI it has to be made clear that' a patentee includes an exclusive licensee who has the sole right to grant a sub-licence.

Clauses 83 seeks to emphasize as does clause 94 from another aspect that the main purpose for which a patent is granted is to have the invention worked in this country to its advantage.

Clauses 84 *and* 85 deal with the grant of compulsory licences where a complaint is made that the patent has not been worked in such a manner as to satisfy the reasonable requirements of the public, and are in amplification of the provisions contained in section 22 of the existing Act.

Clause 86 replaces sections 23A and 23B of the existing Act. As in the existing Act, the right to apply for endorsement of patents with the words "Licences of right" is confined to the Central Government as "persons interested" in working the invention might not desire that other persons besides themselves should also have the right to obtain licences.

Clause 87 is new and provides that patents in the field of drugs, medicines or baby and invalid foods and chemical inventions shall be deemed to be endorsed with the words "Licence of right". The royalty payable under any compulsory licence, if granted hereafter in respect of such substances other than chemical processes is sought to be regulated by clause 88. Suitable provisions are also being made to enable an applicant for a licence to work the invention pending determination of the royalty. These provisions are intended to secure the proper development of the food, drug and chemical industries in the country.

Clause 89 seeks to vest a residuary power in the Controller to revoke a patent in the event of the invention not being worked to an adequate extent in the country, notwithstanding the compulsory licensing provision, etc. Such a provision will also have the indirect effect of inducing patentees to impart to licensees sufficient details as to the know-how for working inventions.

Clause 90 seeks to define what is meant by the expression "reasonable requirements of the public have not been satisfied" for the purposes of the preceding clauses in the context of an underdeveloped country like India.

Clause 91 seeks to empower the Controller to adjourn any proceeding under this Chapter for a period not exceeding 12 months so as to cover cases where it is sought to be shown that the time between the sealing of a patent and the application under this Chapter is not sufficient to enable patentee to work the invention to an adequate extent.

Clauses 92 *and* 93 deal with the procedure to be followed and the powers of the Controller in relation to the grant of compulsory licences.

Clause 94 seeks to formulate certain general principles for the guidance of the Controller in granting compulsory licences.

Clause 95 seeks to regulate the terms and conditions which may be imposed in respect of compulsory licences. Except where the Central Government has otherwise directed, the import of a patented article cannot be permitted under the guise of a compulsory licence.

Clause 96 is intended to prevent the abuse of patent monopolies for blocking purposes and to facilitate the working of related patents.

Clause 97 seeks to replace sub-section (4) of section 23CC of the existing Act.

Clause 99.—For governmental purposes, the use of a patent by a Government undertaking is really equivalent to governmental use. In addition, the powers sought to be conferred by this Chapter may have to be invoked in relation to certain classes of undertakings in the private sector which may be notified for this purpose by the Central Government. The expression use of invention for the purposes of Government is being suitably defined to cover all such cases.

Clauses 100 *and* 101 seek to regulate the use of inventions for the purposes of Government and the rights of third parties in relation thereto. The authority to authorise the use of any invention would be the Central Government, but the purposes for which an invention may be used would include the purposes of a State Government, Government undertaking, etc.

Clause 102 would be useful to enable the Central Government to acquire an invention in certain circumstances, as for example, where it would be economical to acquire the patent instead of obtaining compulsory licences in respect thereof.

Clause 103.—Jurisdiction is sought to be vested in the High Court to decide disputes relating to the use of any invention for the purposes of Government.

Clause 104.—While suits for declarations, infringements, etc., may be brought before the district court as under section 29 of the existing Act, jurisdiction to hear petitions for revocation of patents which will have effect beyond the parties to the proceedings is given only to the High Court under clause 64.

Clause 105 is patterned on section 66 of the U. K. Patents Act, 1949, and seeks to expressly authorise the court to grant declaratory decrees as to non-infringement even where the defendent has not denied the right of the plaintiff or has not asserted any adverse right in himself.

Clause 106 seeks to replace section 36 of the existing Act and provides for a remedy in case of groundless threat of legal proceedings.

Clause 107.—Based on section 32 (4) of the U. K. Patents Act, 1949, this clause seeks to provide that the grounds on which a patent may be revoked would be available as grounds of defence to an action for infringement.

Clause 108 provides for reliefs which may be granted in a suit for infringement, the acts constituting infringement being determined with reference to clause 47 and the terms of the patent.

Clauses 109 *and* 110 deal with the rights of exclusive licensees and licensees under section 84 to take proceedings against infrigement.

Clauses 111 *and* 112 seek to replace section 30 of the existing Act and restrict the power of the court to grant damages, injunction, etc., in certain cases.

Clause 113 seeks to replace section 32 of the existing Act, but the power to grant certificates of validity is confined to petitions for revocation. Where any such certificate has been granted, this clause seeks to regulate the costs in suits for infringement. Where a matter is taken to an appellate court by the patantee, the attack on the validity of the claim cannot be said to be frivolous and therefore sub-clause (3) does not vest any such power as to costs in the appellate court.

Clause 114 modelled on section 62 of the U. K. Patents Act, 1949, seeks to replace section 35A of the existing Act relating to infringement of partially valid specifications.

Clause 115.—Section 35 of the existing Act provides for the hearing of suits under that Act with the aid of assessors. This clause seeks to set out in more precise terms the type of persons to be appointed, their functions, remuneration, etc.

Clause 116 seeks to provide for appeal from orders of the Controller. In this connection, it is desirable to provide expressly that no appeal shall lie from decisions and orders of the Central Government on the lines of section 109 (1) of the Trade and Merchandise Marks Act, 1958.

Clause 117 seeks to lay down the procedure for the hearing of appeals. It is in modification of the provisions contained in section 23G of the existing Act and follows section 109 (4) and (5) of the Trade and Merchandise Marks Act, 1958.

Clause 118 to 124 seek to provide for the punishment of offences under the new law. The existing Act does not contain adequate provisions in this behalf, the only penalty provided therein (Section 78) being in respect of the wrongful use of the words "patent office"

Clause 125 to 132.—The provisions contained in sections 75 and 76 of the existing Act on the subject of agency are insufficient to regulate appearances before the Controller by persons styling themselves as patent agents. It is desirable as in other countries, that patent agents should be properly qualified to do their work–a work which involves great skill and responsibility. These clauses, which are new, therefore provide for statutory control of patent agents. No person whose name is not entered in the register of patent agents will hereafter be permitted to describe himself as a patent agent, but nothing in this Chapter would compel an individual to resort to a patent agent for filing his application or prevent him from acting in the matter himself or through an authorised agent.

Clauses 133 to 139 seek to replace section 78A of the existing Act which is confined to reciprocal arrangements between India and the United Kingdom and other parts of Her Britannic Majesty's dominions by more comprehensive provisions. Apart from making due provision for the mutual protection of inventions, a clause on the lines of section 132 of the Trade and Merchandise Marks Act, 1958, has also been included (clause 134) whereby nationals of countries which do not accord reciprocity to our citizens will be denied the right to apply for patents, etc., in India.

Clause 140 based on section 57 of the U.K. Patents Act, 1949, and section 112 of the Australian Patents Act, 1952, is new, and is intended to ensure that patent rights are not made an instrument of a monopoly wider in scope or longer in duration than afforded under the patents by the statute. Accordingly, conditions in contracts, leases or licences which tend to impose restrictions on the other party with regard to the purchase of articles or use of processes other than the patented article or patented process are rendered void as being restrictions on trade injurious to the public interest. This clause will also apply to contracts made before the commencement of this new law in so far as any such restrictions are allowed to continue after the expiration of three months from such commencement. The period of three months would enable the parties to have the contracts suitably altered, if they so choose.

Clause 141 is also new and is designed to counter attempts by patentees to extend the duration of their patent monopolies beyond the period allowed by statute. This clause will enable the patentee, lessee or licensee to determine a contract containing any such restrictions on giving three months' notice.

Clauses 143 *and* 144.—These clauses while placing restrictions upon the publication of reports of examiners, specifications, etc., seek to vest a discretion in the Controller as to the publication of the result of any search under clause 13. Such a provision would be of value to inventors who desire to know the extent of a prior invention.

Clause 146.—This provision which is confined to information regarding the extent to which an invention is being commercially worked in India is necessary for the proper working of this law, apart from its statistical value.

Clause 147.—Sub-clauses (1) and (2) are based on sections 71 and 71A of the existing Act and sub-section (3) is based on section 116 of the Trade and Merchandise Marks Act, 1958.

Clause 151 seeks to replace section 33 of the existing Act by more elaborate provisions. While orders of High Courts regarding revocation of patents or certificates of validity of claims are to be entered in the register of patents, orders of other courts in suits for infringement, etc., are to be filed in a supplemental register as such orders affect only the parties thereto.

Clause 161.—This clause makes special provisions in respect of applications for patents which were referred from time to time to the Department of Atomic Energy for directions as they had references to atomic energy. These applications now stand lapsed, due to no fault of the applicants, on the ground that the maximum period of acceptance prescribed under sub-section (4) of section 5 of the Indian Patents and Designs Act, 1911, has expired.

FINANCIAL MEMORANDUM

The Bill seeks to amend and consolidate the law relating to patents contained in the Indian Patents and Designs Act, 1911, with a view to stimulate inventions among Indians and to encourage the development and exploitation of new inventions for industrial progress in India and to ensure that patent rights are not abused, to the detriment of the national interests. The Patent Office, which administers the Indian Patents and Designs Act, will have to keep a close watch over the commercial exploitation of patents and licensing and other proceedings under the Act. The steady increase in the number of applications for patents year after year, the proposal for extensive world-wide search for novelty, the expansion of the grounds of opposition, grounds for the grant of compulsory licences and the provisions for revocation for non-working, will involve additional functions on the Patent Office.

Clause 13 of the Bill envisages compulsory search for ascertaining 'novelty' of an invention and for determining 'anticipation', the scope of search extending to prior publication not only in India but elsewhere. Involving as it does much heavier work and responsibility than at present, it will necessitate an appreciable augmentation of the Examining and Supervisory officers of the Patent Office. Further, it will necessitate the setting up of a Special Abstracting Section at the Patent Office, Calcutta, which will engage itself on the collection of all *foreign* patent specifications and other technical documents, classification of the same industry-wise, preparing abstracts of the same and printing or duplication of the abstracts, etc.

Clause 74 (2) of the Bill provides for the establishment of branch offices of the Patent Office at different centres in the country in order to meet the growing requirements of the public and to facilitate registration of patents. To begin with, it is intended to have 3 branch offices of the Patent Office at Bombay, Delhi and Madras. This is on lines similar to the three branch offices of the Trade Marks Registry functioning at Calcutta, Delhi and Madras under the Trade and Merchandise Marks Act, 1958. The branch offices will be concerned with receiving of applications for patents, preliminary examination of the applications and amendments thereto, taking hearings and attending to all further correspondence such as communication of orders and the like, except of course detailed search for anticipation which will be conducted at the Head Office, Calcutta.

Clause 115 of the Bill envisages the appointment of Scientific Advisers to assist the Court in any suit for infringement or in any proceeding before a Court under the Act.

The aforesaid measures will involve extra work and will necessitate employment of some additional staff. The expenditure on account of additional staff, together with incidental expenses on administration is estimated at about Rs. 4 lakhs including Rs. 20,000 non-recurring. The actual recruitment of staff will, however, be made as may be determined by careful work-study.

Requirement of personnel and finance:

1. Annual emoluments of officers:—		
(*a*) Asstt. Controllers.	7	Rs. 2,57,000
(*b*) Examiners of Patents & Designs	27	
2. Annual emoluments of staff:—		
(*a*) Senior Scientific Assistants.	10	Rs. 98,700
(*b*) Assitt. Supdts.	3	
(*c*) U.D.Cs.	9	
3. Incidental expenses.		Rs. 44,300
	TOTAL:—	Rs. 4,00,000

Taking the average of the past 3 years, the annual expenditure of the Patent Office is of the order of Rs. 9. 5 lakhs, while the annual income by way of fees realised amounts to Rs. 13·2 lakhs. It is to be mentioned in this context that while a general increase in the revenues may be expected on account of the filing of larger number of applications for patents year after year and also on account of the enhanced rates of fees for applications and for renewals, yet the reduction of the term of patents from 14 years to 10 years and the stopping of the grant of product patents in the fields of food, drugs and medicine, will probably offset to some extent the above. However, on balance it may be expected that the present revenue islikely to be maintained. Apart from that, as so pertinently pointed out by

Shri Justice Rajagopala Ayyangar in his report on the Revision of Patents Law "The maintenance of a Patent Office should be considered a service rendered to the public, and this is how it is looked upon the U.K. & U.S.A. and other advanced countries and therefore if an increase in the cost should result in an increase in the efficiency of the service, the cost is always worthwhile."

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 158 authorises the High Court to make rules as to the conduct of procedure in respect of proceedings before it under this law.

Clause 159 authorises the Central Government to make rules for carrying out the purposes of this law. The rules are subject to the condition of previous publication. The matters set out in that clause in respect of which rules may be made are matters of a procedural nature and are merely ancillary to the proper implementation of this law.

The rule-making power sought to be conferred by the above two clauses is of a normal character.

S. L. SHAKDHER,
Secretary.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section I-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION

(LAW DEPARTMENT)

No. LAW 83 LCA 64, Bangalore, dated 18th December 1964.

Ordered that the Food Corporations Bill, 1964 (74 of 1964) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 17th November 1964, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

S. SRIPADARAJ,
Under Secretary to Government,
Law Department.

23

LOK SABHA

The following Bills were introduced in Lok Sabha on the 17th November, 1964:—

BILL NO. 74 OF 1964.

A Bill to provide for the establishment of Food Corporations for the purpose of trading in foodgrains and other foodstuffs and for matters connected therewith and incidental thereto.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. *Short title, extent and commencement.*—(*1*) This Act may be called the Food Corporations Act, 1964.

(*2*) It extends to the whole of India except the State of Jammu and Kashmir.

(*3*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(*a*) "Corporation" means the Food Corporation of India established under section 3;

(*b*) "Food Corporation" means the Food Corporation of India established under section 3 or a State Food Corporation established under section 17;

(*c*) "prescribed" means prescribed by rules made under this Act;

(*d*) "scheduled bank" means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934, (2 of 1934),

(*e*) "State Food Corporation" means a State Food Corporation established under section 17;

(*f*) "year" means the financial year,

CHAPTER II

THE FOOD CORPORATION OF INDIA

3. *Establishment of Food Corporation of India.*—(*1*) With effect from such date as the Central Government may, by notification in the Official Gazette, specify in this behalf, the Central Government shall establish for the purposes of this Act a Corporation known as the Food Corporation of India.

(*2*) The Corporation shall be a body corporate with the name aforesaid, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property and to contract, and may, by that name, sue and be sued.

4. *Offices and agencies.*—(*1*) The head office of the Corporation shall be at Madras or at such other place as the Central Government may, by notification in the Official Gazette, specify.

(*2*) The Corporation may, with the previous approval of the Central Government, establish offices or agencies at other places in or outside India.

5. *Capital of Corporation.*—(*1*) The original capital of the Corporation shall be such sum not exceeding

one hundred crores of rupees as the Central Government may fix.

(*2*) The Central Government may from time to time increase the capital of the Corporation to such extent and in such manner as that Government may determine.

(*3*) Such capital may be provided by the Central Government from time to time after due appropriation made by Parliament by law for the purpose and subject to such terms and conditions as may be determined by that Government.

6. *Management.*—(*1*) The general superintendence, direction and management of the affairs and business of the Corporation shall vest in a board of directors which may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation under this Act.

(*2*) The board of directors, in discharging its functions, shall act on business principles having regard to public interest and shall be guided by such instructions on questions of policy as may be given to it by the Central Government.

(*3*) If any doubt arises as to whether a question is or is not a question of policy, the decision of the Central Government thereon shall be final.

7. *Board of directors.*—(*1*) The board of directors of the Corporation shall consist of the following, namely:—

(*a*) a Chairman;

(*b*) three directors to represent respectively the Ministries of the Central Government dealing with—

(*i*) food,
(*ii*) finance, and
(*iii*) co-operation;

(*c*) the managing director of the Central Warehousing Corporation established under section 3 of the Warehousing Corporations Act, 1962, (58 of 1962), *ex officio;*

(*d*) a managing director;

(*e*) six other directors.

(*2*) All the directors of the Corporation other than the director referred to in clause (*c*) of sub-section (*1*) shall be appointed by the Central Government.

(*3*) The managing director shall—

(*a*) exercise such powers and perform such duties as the board of directors may entrust or delegate to him; and

(*b*) receive such salary and allowances as the board of directors may, with the approval of the Central Government, fix:

Provided that the first managing director shall receive such salary and allowances as the Central Government may fix.

(*4*) The term of office of, and the manner of filling casual vacancies among, the directors of the Corporation, other than the director referred to in clause (*c*) of sub-section (*1*), and the other terms and conditions of appointment of the directors of the Corporation shall, subject to the provisions of sub-section (*3*), be such as may be prescribed.

8. *Disqualification for office of director.* A person shall be disqualified for being appointed as, and for being, a director of the Corporation—

(*a*) if he is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has compounded with his creditors; or (*b*) if he is of unsound mind and stands so declared by a competent court; or

(*c*) if he is or has been convicted of any offence which in the opinion of the Central Government involves moral turpitude; or

(*d*) if he has been removed or dismissed from the service of the Government or a corporation owned or controlled by the Government; or

(*e*) except in the case of the chairman or the managing director, if he is a salaried official of the Food Corporation of India or a State Food Corporation.

9. *Removal and resignation of directors.*—(*1*) The Central Government may, at any time, after consultation with the Corporation, remove the managing director from office after giving him a reasonable opportunity of showing cause against the proposed removal.

(*2*) The board of directors may remove any director from office who

(*a*) is or has become subject to any of the disqualifications mentioned in section 8; or

(*b*) is absent without leave of the board of directors from more than three consecutive meetings thereof without cause sufficient, in the opinion of the board, to exonerate his absence.

(*3*) A director of the Corporation may resign his office by giving notice thereof in writing to the Central Government and on such resignation being accepted, he shall be deemed to have vacated his office.

10. *Meetings.* (*1*) The board of directors of the Corporation shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including

the quorum at meetings) as may be provided by regulations made by the Corporation under this Act

(*2*) The Chairman of the board or, if for any reason he is unable to attend any meeting, any other director elected by the directors present at the meeting, shall preside at the meeting.

(*3*) All questions which come up before any meeting of the board shall be decided by a majority of the votes of the directors present and voting, and, in the event of an equality of votes, the Chairman, or in his absence, the person presiding, shall have and exercise a second or casting vote.

11. *Advisory Committees.*—(*1*) The Central Government may, by notification in the Official Gazette, constitute one or more Advisory Committees consisting of such persons and on such terms and conditions as may be prescribed.

(*2*) It shall be the duty of any such Advisory Committee to advice the Central Government or the Corporation in regard to any matter connected with the purposes of this Act in respect of which its advice is sought by the Central Government, or, as the case may be, by the Corporation.

(*3*) The expenses in relation to the Advisory Committees shall be met by the Corporation.

12. *Officers and other employees of Corporation.* (*1*) The Central Government shall, after consultation with the Corporation, appoint a person to be the Secretary of the Corporation.

(*2*) Subject to such rules as may be made by the Central Government in this behalf, the Corporation may appoint such other officers and employees as it considers necessary for the efficient performance of its functions.

(3) The methods of appointment, the conditions of service and the scales of pay of the officers and other employees of the Corporation shall—

(a) as respects the Secretary, be such as may be prescribed;

(b) as respects the other officers and employees, be such as may be determined by regulations made by the Corporation under this Act.

13. *Functions of Corporation.*—(1) Subject to the provisions of this Act, it shall be the primary duty of the Corporation to undertake the purchase, storage, movement, transport, distribution and sale of foodgrains and other foodstuffs.

(2) Subject as aforesaid, the Corporation may also, with the previous approval of the Central Government,—

(a) promote by such means as it thinks fit the production of foodgrains and other foodstuffs;

(b) set up, or assist in the setting up of, rice mills, flour mills and other undertakings for the processing of foodgrains and other foodstuffs; and

(c) discharge such other functions as may be prescribed or as are supplemental, incidental or consequential to any of the functions conferred on it under this Act.

14. *Executive Committee and other committees.*—(1) The board of directors of the Corporation may constitute an Executive Committee which shall consist of

(a) the Chairman of the board;

(b) the managing director; and

(c) three other directors, of whom one shall be a non-official.

(*2*) The Chairman of the board of directors shall be the Chairman of the Executive Committee.

(*3*) Subject to the general control, direction and superintendence of the board of directors, the Executive Committee shall be competent to deal with any matter within the competence of the Corporation.

(*4*) The board of directors may constitute such other committees, whether consisting wholly of directors or wholly of other persons or partly of directors and partly of other persons as it thinks fit, for such purposes as it may decide.

(*5*) A committee constituted under this section shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by the Corporation under this Act.

(*6*) The members of a committee (other than the directors of the board) shall be paid by the Corporation such fees and allowances as may be fixed by it by regulations made under this Act for attending the meetings of the committee and for attending to any other work of the Corporation.

15. *Member of board or committee thereof not to vote in certain cases.*—A member of the board of directors of the Corporation or a committee thereof who has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the board of directors or committee thereof, shall, as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and the disclosure shall be recorded in the minutes of the board or the committee, as the case may be, and the member shall not take any part in any deliberation or decision of the board or committee with respect to that matter.

CHAPTER III

BOARDS OF MANAGEMENT

16. *Boards of management, their constitution and functions.*—(*1*) The Central Government may, on a request received in this behalf from the State Government or Governments concerned or otherwise, by notification in the Official Gazette, establish a Board of Management for a State or two or more contiguous States, if no State Food Corporation is functioning in such State or States.

(*2*) The head office of the Board of Management shall be at such place as the Central Government may, by notification in the *Official Gazette*, specify.

(*3*) The Board of Management shall consist of

(*a*) a Chairman to be appointed by the board of directors of the Food Corporation of India;

(*b*) the senior-most executive officer of the said Corporation employed at the head office of the Board of Management; and

(*c*) not more than ten other members to be appointed by the board of directors of the said Corporation.

(*4*) The members of a Board of Management referred to in clauses (*a*) and (*c*) of sub-section (3) shall hold office for a term of two years and shall be eligible for re-appointment and the other terms and conditions of their appointment shall be such as may be prescribed.

(*5*) The Board of Management shall advise the Corporation on such matters as may be generally or specifically referred to it and shall perform such other functions as the Corporation may delegate to it.

(*6*) The provisions of Sections 20, 21 and 25 shall, so far as may be, apply in relation to the members of a Board of Management as they apply in relation to the members of the board of directors of a State Food Corporation :

Provided that the reference to the General Manager in clause (*e*) of Section 20 shall be construed as a reference to the officer of the Corporation referred to in clause (*b*) of sub-section (*3*).

(*7*) The Food Corporation of India may, after consultation with a Board of Management appoint such staff as it considers necessary to enable that Board to perform its functions under this Act.

(*8*) The Board of Management may, by order in writing, authorise any one or more of its members to exercise and perform, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions as it may think fit.

(*9*) The Board of Management shall follow such procedure as may be provided by regulations made by the Food Corporation of India under this Act.

(*10*) Where a Board of Management has been established—

(*i*) for a State, or

(*ii*) for two or more States,

then such Board shall stand dissolved

(*a*) in the case referred to in clause (*i*), on the establishment of a Food Corporation for that State, and

(*d*) in the case referred to in clause (*ii*), on the establishment of such Corporation for any one or more of such States.

(*11*) Where a Board of Management stands dissolved under clause (*b*) of sub-section (*10*), the Central

Government may establish a new Board of Management for the State or States for which no Food Corporation has been established.

(*12*) The expenses of the Board of Management in the discharge of its functions under this Act shall be met by the Food Corporation of India.

CHAPTER IV

STATE FOOD CORPORATIONS

17. *Establishment of State Food Corporation.*—(*1*) The Central Government may, by notification in the Official Gazette and after consultation with the Government of a State, establish a Food Corporation for that State under such name as may be specified in the notification.

(*2*) A State Food Corporation established under sub-section (1) shall be a body corporate by the name notified under that sub-section, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property and to contract, and may, by the said name, sue and be sued.

(*3*) The head office of a State Food Corporation shall be at such place within the State as may be notified by the Central Government in the Official Gazette

(*4*) Subject to the provisions of this Act, a State Food Corporation may perform such of the functions of the Food Corporation of India as that Corporation may delegate to it.

18. *Capital of State Food Corporation.* (*1*) The capital of a State Food Corporation shall be such sum not exceeding ten crores of rupees as the Central Government may after consultation with the Food Corporation of India, fix.

(2) The Central Government may, after such consultation, from time to time increase the capital of the State Food Corporation to such extent and in such manner as that Government may determine.

(3) Such capital shall be provided—

(a) by the Central Government after due appropriation made by Parliament by law for the purpose, and

(b) by the Food Corporation of India,

in such proportion and subject to such terms and conditions as may be determined by the Central Government.

19. *Management of State Food Corporation.*—(1) The general superintendence, direction and management of the affairs and business of a State Food Corporation shall vest in a board of directors which shall consist of a Chairman, a General Manager and not more than ten other members, all of whom shall be appointed by the Food Corporation of India after consultation with the Central Government and the State Government.

(2) The General Manager shall—

(a) exercise such powers and perform such duties as the board of directors may entrust or delegate to him; and

(b) receive such salary and allowances and be governed by such terms and conditions of service as the board of directors may, in consultation with the Food Corporation of India, fix.

(3) The board of directors, in discharging its functions, shall act on business principles having regard to public interest and shall be guided by such instructions on questions of policy as may be given to it by the Food Corporation of India.

(4) If any doubt arises as to whether a question is or is not a question of policy, the matter shall be

referred to the Central Government whose decision thereon shall be final.

(*5*) The members of the board of directors, other than the General Manager, shall be entitled to receive by way of remuneration or fees such sums as may be prescribed:

Provided that no official member shall be entitled to receive any remuneration other than any allowances admissible to him under the rules regulating his conditions of service.

(*6*) The term of office of, and the manner of filling casual vacancies among the members of the board of directors shall be such as may be prescribed.

20. *Disqualification for office of member of board of directors.* A person shall be disqualified for being appointed as, and for being, a member of the board of directors of a State Food Corporation—

(*a*) if he is, or at any time has been, adjudicated insolvent or has suspended payment of his debts or has compounded with his creditors; or

(*b*) if he is of unsound mind and stands so declared by a competent court; or

(*c*) if he is or has been convicted of any offence which in the opinion of the Central Government involves moral turpitude; or

(*d*) if he has been removed or dismissed from the service of the Government or a corporation owned or controlled by the Government; or

(*e*) except in the case of the Chairman or the General Manager, if he is a salaried official of the Food Corporation of India or a State Food Corporation.

21. *Removal and resignation of members of board of directors.*—(*1*) The Food Corporation of India may, at

any time, after consultation with the State Food Corporation, remove the General Manager from office after giving him a reasonable opportunity of showing cause against the proposed removal.

(2) The board of directors of a State Food Corporation may remove from office any member of that board who—

(a) is or has become subject to any of the disqualifications mentioned in section 20, or

(b) is absent without leave of the board of directors from more than three consecutive meetings thereof without cause sufficient, in the opinion of the board, to exonerate his absence.

(3) A member of such board may resign his office by giving notice thereof in writing to the Food Corporation of India and on such resignation being accepted, he shall be deemed to have vacated his office.

22. *Meetings.* (1) The board of directors of a State Food Corporation shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be provided by regulations made by that Corporation under this Act.

(2) The Chairman of the board of directors or, if for any reason he is unable to attend any meeting, any other member of the board elected by the members of the board present at the meeting, shall preside at the meeting.

(3) All questions which come up before any meeting of the board of directors shall be decided by a majority of the votes of the members present and voting, and, in the event of an equality of votes, the Chairman or his absence, the person presiding shall have and exercise a second or casting vote.

23. *Appointment of officers, etc., and their conditions of service.*—*(1)* A State Food Corporation may, appoint such officers and other employees as it considers necessary for the efficient performance of its functions.

(2) Every person employed by a State Food Corporation under this Act shall be subject to such conditions of service and shall be entitled to such remuneration as may be determined by regulations made by that Corporation under this Act.

24. *Executive Committee and other Committees.*—*(1)* The board of directors of a State Food Corporation may constitute an Executive Committee which shall consist of—

(a) the Chairman of the board of directors;

(b) the General Manager; and

(c) three other members of the board of directors, of whom one shall be a non-official.

(2) The Chairman of the board of directors shall be the Chairman of the Executive Committee.

(3) Subject to the general control, direction and superintendence of the board of directors, the Executive Committee shall be competent to deal with any matter within the competence of the State Food Corporation.

(4) The board of directors may constitute such other committees; whether consisting wholly of members of the board or wholly of other persons or partly of such members and partly of other persons as it thinks fit, for such purposes as it may decide.

(5) A committee constituted under this section shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including the quorum at

meetings) as may be provided by regulations made by the State Food Corporation under this Act.

(6) The members of a committee (other than the directors of the board) shall be paid by the State Food Corporation such fees and allowances as may be fixed by it by regulations made under this Act, for attending the meetings of the committee and for attending to any other work of that Corporation.

25. *Member of board or committee thereof not to vote in certain cases.*—A member of the board of directors of a State Food Corporation or a committee thereof who has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the board of directors or committee thereof, shall, as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and the disclosure shall be recorded in the minutes of the board or the committee, as the case may be, and the member shall not take any part in any deliberation or decision of the board or the committee with respect to that matter.

CHAPTER V

FINANCE, ACCOUNTS AND AUDIT

26. *Submission of programme of activities and financial estimates.*—(*1*) A Food Corporation shall, before the commencement of each year, prepare a statement of programme of its activities during the forthcoming year as well as a financial estimate in respect thereof.

(*2*) The statement prepared under sub-section (1) shall, not less than three months before the commencement of each year, be submitted for approval—

(*a*) in the case of the Food Corporation of India, to the Central Government;

(*b*) in the case of a State Food Corporation, to the Food Corporation of India.

(*3*) The statement and the financial estimate of a Food Corporation referred to in sub-section (1) may, with the approval of the Central Government, in the case of the Food Corporation of India, or with the approval of the Food Corporation of India in the case of a State Food Corporation, be revised by the Food Corporation.

27. *Borrowing powers of Food Corporation.*—(1) Food Corporation may, for the purpose of carrying out its functions under this Act, take advances against stocks of foodgrains or other foodstuffs held by it or borrow money

(*i*) from any scheduled bank, or

(*ii*) from any other bank or financial institution approved by the Central Government in this behalf.

(2) The Central Government may guarantee the loans and advances taken by a Food Corporation under sub-section (1) as to the re-payment of principal and the payment of interest thereon and other incidental charges.

28. Lending by Food Corporation on security of food-grains A Food Corporation may lend or advance money to any person engaged in the production of foodgrains upon the security of foodgrains or such other security as may be prescribed, for any purpose connected with such production.

29. Power to enter into agreement for purchase of foodgrains after harvest. (*1*) A Food Corporation may enter into agreement with any grower of food-crops for the purchase of foodgrains after the harvest of such crops and any such agreement may provide that any sum payable by the Corporation to the grower under such agreement shall be payable to any scheduled bank or other financing agency nominated by the grower in this behalf to such extent as may be specified in the agreement.

(2) The scheduled bank or other financing agency referred to in sub-section (1) may, on the basis of any agreement referred to in that sub-section, lend money to a grower of foodcrops who has entered into such agreement.

30. *Guarantee by Food Corporation.*—A Food Corporation may, upon such terms and conditions as it may think fit, guarantee any loan referred to in sub-section (2) of Section 29 and also any other loan raised by a grower of foodcrops, which is re-payable within a period not exceeding five years.

31. *Funds of Food Corporation.* A Food Corporation shall have its own fund and all receipts of the Corporation shall be credited thereto and all payments of the Corporation shall be met therefrom.

(2) Such fund shall be applied for meeting all administrative expenses of the Food Corporation and for carrying out the purposes of this Act.

32. *Investment of funds.*—A Food Corporation may invest its funds in the securities of the Central Government or any State Government or in such other manner as may be prescribed.

33. *Allocation of surplus profits.*—(1) A Food Corporation shall establish a reserve fund to which shall be credited every year such portion of its annual net profits as that Corporation thinks fit.

(2) After making provision for such reserve fund and for bad and doubtful debts, depreciation in assets and all other matters which are usually provided for

by companies registered and incorporated under the Companies Act, 1956, (1 of 1956) the balance of its annual net profits shall be paid

(*a*) in the case of the Food Corporation of India, to the Central Government and

(*b*) in the case of a State Food Corporation, to the Central Government and the Food Corporation of India in the same proportion as the capital provided by them.

34. *Accounts and audit.*—(*1*) A Food Corporation shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the profit and loss account and the balance sheet in such form as may be prescribed.

(*2*) The accounts of a Food Corporation shall be audited by auditors duly qualified to act as auditors of companies under section 226 of the Companies Act, 1956, (1 of 1956).

(*3*) The auditors shall be appointed annually by the Food Corporation from among a list of auditors approved by the Central Government on the advice of the Comptroller and Auditor-General of India.

(*4*) The auditors shall be supplied with a copy of the annual balance sheet and the profit and loss account of the Food Corporation and it shall be their duty to examine them together with the accounts and vouchers relating thereto, and they shall have a list delivered to them of all books kept by the Corporation and shall at all reasonable times have access to the books, accounts and other documents of the Corporation and may require from any officer of the Corporation such information and explanations as the auditors may think necessary for the performance of their duties as auditors.

(5) The auditors shall send a copy of their report together with an audited copy of the accounts to the Food Corporation concerned and to the Central Government and, where the accounts relate to a State Food Corporation, also to the Food Corporation of India.

35. *Annual report on the working of Food Corporations.* (1) A Food Corporation shall, as soon as possible after the end of each year, submit to the Central Government an annual report on the working and affairs of the Corporation.

(2) The Central Government shall, as soon as may be after the receipt of such report, cause such report and the audit report received under section 34 to be laid before both Houses of Parliament.

CHAPTER VI

MISCELLANEOUS

36. *Vacancies, etc., not to invalidate acts or proceedings of Food Corporation, etc.*—(1) No act or proceeding of a Food Corporation or a committee thereof or a Board of Management shall be invalid by reason only of the existence of any vacancy in, or any defect in the constitution of, the board of directors of the Food Corporation or such committee or Board of Management.

(2) No act done by any person acting in good faith as a member of a board of directors of a Food Corporation or of a Board of Management shall be deemed to be invalid by reason only of his disqualification for being appointed as, or for being, a member of such board of directors or Board of Management.

37. ***Delegation :*** A Food Corporation may, by general or special order in writing, delegate to the

Chairman or any other member of the board of directors or the Secretary or other officer of the Corporation, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions under this Act as it may deem necessary.

38. *Declaration of fidelity and secrecy:* Every director, member of an Advisory Committee or other committee, auditor, officer or other employee of a Food Corporation and every member of a Board of Management and its staff shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Schedule.

39. *Indemnity of directors:—(1)* Every member of the board of directors of a Food Corporation and of a Board of Management shall be indemnified by the Corporation against all losses and expenses incurred by him in the discharge of his duties except such as are caused by his own wilful act or default.

(2) A member of the board of directors of a Food Corporation or a Board of Management shall not be responsible for any other member or for any officer or other employee of the Corporation or Board of Management or for any loss or expense resulting to the Corporation from the insufficiency or deficiency of value of, or title to any property or security acquired or taken on behalf of the Corporation in good faith, or by the insolvency or wrongful act of any person under obligation to the Corporation or by anything done in good faith, in the execution of the duties of his office or in relation thereto.

40 No suit or other legal proceeding shall lie against a Food Corporation or any member of the board of directors thereof or any officer or other employee thereof or any member of a Board of

Management or its staff or any other person authorised by a Food Corporation or a Board of Management to discharge any functions under this Act for any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act.

41. *Offences* :—(*1*) Whoever, without the consent in writing of a Food Corporation, uses its name in any prospectus or advertisement, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

(*2*) No court shall take cognizance of any offence under sub-section (*1*) except on a complaint in writing by an officer authorised in this behalf by the Food Corporation concerned.

42. *Provision relating to income-tax, super-tax, etc*:- For the purposes of the Income-tax Act, 1961, (43 of 1961) or any other enactment for the time being in force relating to income-tax, super-tax or any other tax on income, profits or gains, a Food Corporation shall be deemed to be a company within the meaning of the Income-tax Act, 1961, and shall be liable to tax accordingly on its income, profits and gains.

43. *Winding up of Food Corporation* :— No provision of law relating to the winding up of companies or corporations shall apply to a Food Corporation and it shall not be placed in liquidation save by order of the Central Government and in such manner as that Government may direct.

44. *Power to make rules* :—(*1*) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) the term of office of, and the manner of filling casual vacancies among, and the other terms and conditions of appointment of, the directors of the Corporation;

(*b*) the composition of Advisory Committees and the terms and conditions of service of members thereof;

(*c*) the additional functions which the Corporation may perform;

(*d*) the remuneration or fees payable to the members of the board of directors of a State Food Corporation and the term of office of, and the manner of filling casual vacancies among such members;

(*e*) the securities (other than foodgrains) upon which a Food Corporation may lend or advance money;

(*f*) the manner in which a Food Corporation may invest its funds;

(*g*) the form of the annual statement of accounts and the balance sheet to be prepared by a Food Corporation;

(*h*) any other matter which has to be or may be prescribed.

(3) Every rule made by the Central Government under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have

effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

45. *Power of Food Corporation to make regulations* :—*(1)* A Food Corporation may, with the previous sanction of the Central Government, by notification in the Official Gazette, make regulations not inconsistent with this Act and the rules made thereunder, to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.

(2) Without prejudice to the generality of the foregoing power, such regulations may provide for—

(*a*) the methods of appointment, the conditions of service and the scales of pay of the officers and employees of a Food Corporation, other than the Secretary of the Food Corporation of India;

(*b*) the duties and conduct of officers and employees of a Food Corporation, other than the Secretary aforesaid;

(*c*) the functions and duties which may be entrusted or delegated to the managing director or, as the case may be, the General Manager, of a Food Corporation;

(*d*) the times and places at which meetings of a Food Corporation or any committee thereof shall be held and the procedure to be followed thereat;

(*e*) the fees and allowances payable to the members of a committee under sub-section (6) of section 14 or sub-section (6) of section 24;

(*f*) generally, the efficient conduct of the affairs of a Food Corporation.

(*3*) The Central Government may, by notification in the Official Gazette, rescind any regulation which it has sanctioned and thereupon such regulation shall cease to have effect.

(*4*) Any regulation which may be made by the Food Corporation of India under this Act may be made by the Central Government within three months from the establishment of that Corporation and any regulation which may be made by a State Food Corporation under this Act may be made by the Food Corporation of India within three months from the establishment of such State Food Corporation; and any regulation so made may be altered or rescinded by the Food Corporation concerned in the exercise of its powers under this Act.

THE SCHEDULE

(*See* Section 38)

DECLARATION OF FIDELITY AND SECRECY

I, _____________________, declare that I will faithfully, truly and to the best of my judgment, skill and ability execute and perform the duties which are required of me as director, member of committee, officer, employee or auditor (as the case may be) of the Food Corporation of India

_____ _____ or as member of the Board

Food Corporation

of Management at ______________ under the Food Corporation of India and which properly relate to the office or position in or in relation to that Corporation held by me.

I, further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the said Corporation or to the affairs of any person having any dealing with the said Corporation nor will I allow any person not legally entitled as aforesaid to inspect or have access to any books or documents belonging to, or in the possession of, the said Corporation and relating to the business of the said Corporation or the business of any person having any dealing with the said Corporation.

(*Signature*)..........................

Signed before me.

STATEMENT OF OBJECTS AND REASONS

It is considered desirable, in the interests of increased agricultural production as well as in the interests of the common consumer, to set up a State Agency for the purpose of undertaking trading in foodgrains in a commercial manner but within the framework of an over-all Government policy. Only by such a measure it will be possible to effectively implement any policy of ensuring that the primary producer obtains the minimum price that may be announced from time to time and to protect the consumer from the vagaries of speculative trade.

2. The setting up of the Food Corporation of India, as provided for in this Bill, will, therefore, be one of the essential and important steps in the implementation of Government's food policy. The Corporation will be the first organised attempt to take up State trading in foodstuffs on an appreciable scale. The Agency will also be used to build up gradually buffer stocks.

3. The Corporation will engage itself primarily in the purchase, storage, movement, distribution and sale of foodgrains. Provision has also been made in the Bill enabling the Corporation to deal in other foodstuffs if considered necessary by the Government. The Corporation may also discharge certain incidental functions as provided for in the Bill in consultation with the Central Government.

4. The Corporation will be encouraged to function generally as an autonomous organisation working on commercial lines. It is expected to secure for itself a strategic and commanding position in the foodgrains trade of the country. Bearing in mind the several

large spheres in which the Corporation will ultimately have to operate, this Bill is being introduced to enable it to function as a statutory Corporation wholly owned by the Government.

5. It is necessary that the Corporation should work with the active and continued co-operation of State Governments and their machinery. The Bill, therefore, provides for the setting up of Boards of Management or State Food Corporations, as the case may be, to secure such co-operation and participation in a practical and effective way.

NEW DELHI; C. SUBRAMANIAM.
The 5th November, 1964.

PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND 274 OF THE CONSTITUTION OF INDIA.

[Copy of letter No. 179(6)/64-Py.I, dated the 11th November, 1964 from Suri C. Subramaniam, Minister of Food and Agriculture to the Secretary, Lok Sabha.]

The President, having been informed of the subject-matter of the Food Corporations Bill, 1964, has recommended under articles 117(1) and 274(1) of the Constitution the introduction of the Bill in the Lok Sabha, and under article 117(3) of the Constitution, its consideration by the Lok Sabha.

FINANCIAL MEMORANDUM

1. The original capital of the Food Corporation of India shall not exceed one hundred crores of rupees. The capital will be fixed by the Central Government and provided by it from time to time after due appropriation made by Parliament by law for the purpose and subject to such terms and conditions as may be determined by the Central Government. Provision has been made for increasing the capital of the Corporation by the Central Government from time to time. (Clause 5 of the Bill).

2. The capital of a State Food Corporation shall not exceed ten crores of rupees. It will be fixed by the Central Government after consultation with the Food Corporation of India. The capital will be provided by the Central Government after due appropriation made by Parliament by law for the purpose and by the Food Corporation of India, in such proportion and subject to such terms and conditions as may be determined by the Central Government. Provision has also been made for increasing the capital of a State Food Corporation by the Central Government in consultation with the Food Corporation of India. (Clause 18 of the Bill).

3. Clause 27 of the Bill provides for the guarantee by the Central Government of the re-payment of principal and the payment of interest, etc., in respect of loans and advances taken by a Food Corporation from any scheduled bank or any other bank or financial institution approved by the Central Government against stocks of foodgrains or other foodstuffs held by it. The ultimate liability arising out of such guarantees cannot be estimated at this stage.

4. Clause 30 of the Bill empowers a Food Corporation to guarantee any money lent by a scheduled bank or other financing agency to a grower of foodcrops on the basis of agreement entered into by that Corporation with the grower of foodcrops for the purchase of foodgrains after the harvest of such crops, and also any other loan raised by a grower of foodcrops, which is re-payable within a period not exceeding five years.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 44 of the Bill empowers the Central Government to make rules to carry out the purposes of the Act. The matters in respect of which rules may be made are specified in sub-clause (2) of that clause. They relate *inter alia* to the term of office of and the manner of filling casual vacancies among the members of the board of directors of a Food Corporation, the composition of Advisory Committees and the terms and conditions of service of members thereof, the additional functions which the Food Corporation of India may perform, the securities (other than foodgrains) upon which a Food Corporation may lend or advance money and the form of the annual statement of accounts to be maintained by a Food Corporation. The matters in respect of which rules may be made are of a routine or administrative nature. Moreover, the rules shall be subject to the scrutiny of Parliament.

2. Clause 45 of the Bill empowers a Food Corporation to make regulations not inconsistent with the Act and the rules made thereunder for the purpose of giving effect to the provisions of the Act. The matters which may be provided for by regulations relate to procedural or administrative details.

3. The delegation of legislative power is thus of a normal character.

NOTIFICATION

(LAW DEPARTMENT).

No. LAW 82 LCA 64, Bangalore, dated 18th December 1964.

Ordered that the Mineral Oils, (Additional Duties of Excise and Customs) Amendment Bill, 1964 (77 of 1964) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 17th November 1964 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

S. SRIPADARAJ,
Under Secy. to Govt., L. D.

21

BILL NO. 77 OF 1964

A Bill further to amend the Mineral Oils (Additional Duties of Excise and Customs) Act, 1958.

BE it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Mineral Oils (Additional Duties of Excise and Customs) Amendment Act, 1964.

2. *Amendment of long title.*—In the Mineral Oils (Additional Duties of Excise and Customs) Act, 1958 (27 of 1958.) (hereinafter referred to as the principal Act), in the long title, for the words "certain mineral oils", the words "certain mineral products" shall be substituted.

3. *Amendment of section 1.*—In section 1 of the principal Act, in sub-section (*1*), for the words "Mineral Oils", the words "Mineral Products" shall be substituted.

4. *Amendment of section 3.*—In section 3 of the principal Act; in sub-section (*1*), for the Table, the following Table shall be substituted, namely:—

"TABLE

Description of goods 1	Rate of additional duty 2
1. Motor spirit	One hundred and sixty-five rupees per kilolitre at fifteen degrees of Centigrade thermometer.
2. Kerosene	Eighty rupees per kilolitre at fifteen degrees of Centigrade thermometer.

Description of goods 1	Rate of additional duty 2
3. Refined diesel oils and vaporizing oil.	One hundred rupees per kilolitre at fifteen degrees of Centigrade thermometer.
4. Diesel oil, not otherwise specified	Sixty rupees per metric tonne.
5. Furnace oil	Sixty rupees per metric tonne
6. Asphalt and Bitumen as described in item No. II (I) of the First Schedule to the Central Excises and Salt Act, 1944 (1 of 1944)	Fifty rupees per metric tonne.
7. All products as described in item No. IIA of the First Schedule to the Central Excises and Salt Act, 1944, (1 of 1944) ...	Three hundred rupees per metric tonne'

5. *Amendment of section 5.*—In section 5 of the principal Act, in clause (*b*), the words and figure "under section 4 or" shall be omitted.

Declaration under the Provisional Collection of Taxes Act, 1931.

It is hereby declared that it is expedient in the public interest that the provisions of clause 4 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931, (16 of 1931).

STATEMENT OF OBJECTS AND REASONS

The Mineral Oils (Additional Duties of Excise and Customs) Act, 1958 was enacted for the purpose of levying and collecting additional duties of excise and customs on certain mineral oils. The purpose underlying that enactment was to readjust, with effect from the 20th May, 1958, the excise and customs duties in the light of the reduction in prices agreed to by the principal companies distributing mineral oil products in India. The aforesaid Act provides for ceiling rates within which effective rates are fixed by notification. Since the introduction of the revised pricing structure from the 1st October, 1961 and up to the 30th September, 1964, a sum of nearly rupees five crores has accrued in favour of Government due to reduction of f.o.b. cost of petroleum products and freight thereon. It is expected that further accumulations of like nature will also accrue to Government. The existing ceiling rates will not enable a quick recovery of these amounts from the distributing companies.

The Bill seeks to enhance the existing ceiling rates adequately in respect of the mineral oil products already covered by the Act; at the same time, provision is also being made for levy of additional duties on certain other petroleum products such as asphalt and bitumen. This is being done with a view to enable appropriation from the companies of over-recoveries on these products, if found necessary in the future.

NEW DELHI; T.T. KRISHNAMACHARI.
The 12th November, 1964.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE CONSTITUTION OF INDIA

[Copy of letter dated the 14th November, 1964 from Shri T.T. Krishnamachari, Minister of Finance to the Secretary, Lok Sabha]

The President having been informed of the subject matter of the Bill further to amend the Mineral Oils (Additional Duties of Excise and Customs) Act, 1958 has recommended under article 117 (1) of the Constitution the introduction of the Bill in the Lok Sabha.

S. L. SHAKDHER,
Secretary.

CORRIGENDA

In the Gazette of India Extraordinary, Part II—Section 2—

1. No. 32, dated the 11th September, 1964:—
   - (i) Page 491, *read* 'Appearance before wealth-tax authorities by authorised representatives.' as marginal heading against line 1; and
   - (ii) Page 499, line 18 from bottom, *after* 'assets' *insert* 'or'

2. No 33A, dated the 11th September, 1964:—
   - (i) Page 529/54, *delete* side rule to line number 21—24; and
   - (ii) Page 529/64, marginal reference to clause 43, *for* '10 of 1891' *read* '10 of 1887'.

3. No. 34, dated the 14th September, 1964:—
   - (i) Page 535, line 5 from bottom, *after* 'is' *insert* 'in'; and
   - (ii) Page 547, line 9 from bottom *for* 'PRESIDENT'S RECOMMENDATION' *read* 'PRESIDENT'S RECOMMENDATION'.

4. No. 35, dated the 17th September, 1964:—
   Page 555, line 1 from bottom, *after* 'to' *insert* 'a'

5. No. 42, dated the 25th September, 1964:
   Page 667, line 16 from the top, *for* 'and box' *read* 'aid box'.

WD 965—GBPG 5500 26-11-65

PART IV

Section 1-B

CENTRAL ACTS AND ORDINANCES

NOTIFICATION

(LAW DEPARTMENT).

No. LAW 15 LCA 65, Bangalore, dated 9th March 1965.

Ordered that the Official Trustees (Amendment) Act 1964 (Central Act 48 of 1964), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 1, dated the 26th December 1964, be republished in the *Mysore Gazette*, for genaral information.

By Order and in the name of the Governor of Mysore,

H. K ANANTHASUBBA RAO,

Under Secy. to Govt. L.D.

Assented to on 25th December 1964. Act No. 18 of 1964

THE OFFICIAL TRUSTEES (AMENDMENT) ACT, 1964

AN

ACT

further to amend the Official Trustees Act, 1913.

Be it enacted by Parliament in the Fifteenth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Official Trustees (Amendment) Act, 1964.

2. **Omission of Preamble.**—In the Official Trustees Act, 1913 (2 of 1913) (hereinafter referred to as the principal Act), the Preamble shall be omitted.

3. **Amendment of section 2.**—In section 2 of the principal Act, clause (2) shall be omitted.

4. **Insertion of new section 3.**—In Part I of the principal Act, after section 2, the following section shall be inserted, namely:—

"3. **Extent of jurisdiction of High Court.**—The High Court shall, in respect of proceedings instituted by or against the Official Trustee under this Act or the Indian Trusts Act, 1882 (2 of 1882), be a competent Court throughout the territories in relation to which it exercises civil appellate jurisdiction.

Provided that nothing in this section shall be construed as affecting the jurisdiction of any district court."

5. **Amendment of section 4.**—For sub-section (2) of Section 4 of the prinicipal Act, the following sub-section shall be sustituted, namely :—

"(2) No person shall be appointed to the office of Official Trustee unless he has been for at least—

(a) seven years, an advocate; or

(b) seven years, an attorney of a High Court; or

(c) ten years, a member of the judicial service of a State; or

(d) five years, a Deputy Official Trustee."

6. **Amendment of section 5.**—Section 5 of the principal Act shall be re-numbered as sub-section (1) of that section, and after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely —

"(2) No person shall be appointed as Deputy unless he has been for at least three years—

(*a*) an advocate; or

(*b*) an attorney of a High Court; or

(*c*) a member of the judicial service of a State."

7. **Amendment of section 10.**—In sub-section (3) of section 10 of the principal Act, the words and figures "the Trustees" and Mortgagees' Powers Act, 1866, (28 of 1866) or" shall be omitted.

8. **Amendment of Section 12.**—In sub-section (1) of section 12 of the principal Act, for the word "infant", the word "minor" shall be substituted.

9. **Amendment of section 13.**—In sub-section (2) of section 13 of the principal Act,—

(*a*) the words "or Deputee Official Trustee" shall be omitted;

(*b*) for the words "the Official Trustee's personal knowledge", the words "his personal knowledge" shall be substituted.

10. Amendment of section 15.—In section 15 of the principal Act, the words "revenues of the" wherever they occur, shall be omitted.

11. Amendment of section 17.—In section 17 of the principal Act,—

(*a*) the proviso to sub-section (1) shall be omitted;

(*b*) in sub section (2), the words "the revenues of" shall be omitted.

12. Amendment of section 19.—In section 19 of the principal Act, for clause (*a*) of sub-section (2), the following clause shall be substituted, namely :—

"(*a*) whether the accounts have been audited in the prescribed manner, and whether, so far as can be ascertained by such audit, the accounts contain a full and true account of every thing which ought to be contained therein;"

13. Amendment of section 25.—In section 25 of the principal Act, for the word "interest", the word "income" shall be substituted.

14. Amendment of section 30.—In section 30 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) Every rule made by the Central Government under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.".

R. C. S. SARKAR,
Secy. to the Government of India.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore

PART IV

Section 1-B

CENTRAL ACTS AND ORDINANCES

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 39 LOA 65, Bangalore, dated 5th May 1965.

Ordered that the Industries (Development and Regulation) Amendment Act, 1965 (Central Act 6 of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 1, dated the 30th March 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,

Under Secy. to Govt., L. D.

Assented to on 29th March 1965. Act No. 6 of 1965.

THE INDUSTRIES (DEVELOPMENT AND REGULATION) AMENDMENT ACT, 1965.

AN

ACT

further to amend the Industries (Development and Regulation) Act, 1951.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows :—

1. **Short title.**—This Act may be called the Industries (Development and Regulation) Amendment Act, 1965.

2. Amendment of section 18A.—In section 18A of the Industries (Development and Regulation) Act, 1951 (65 of 1951) for the proviso to sub-section (2), the following proviso shall be substituted, namely :—

"Provided that if the Central Government is of opinion that it is expedient in the public interest that any such notified order should continue to have effect after the expiry of the period of five years aforesaid, it may from time to time issue directions for such continuance for such period, not exceeding two years at a time, as may be specified in the direction, so however that the total period of such continuance (after the expiry of the said period of five years) does not exceed ten years; and where any such direction is issued, a copy thereof shall be laid, as soon as may be, before both Houses of Parliament."

R. C. S. SARKAR,

Secretary to the Govt., of India.

NOTIFICATION.

(LAW DEPARTMENT.)

No. LAW 42 LCA 65, Bangalore, dated 5th May 1965.

Ordered that the Armed Forces (Special Powers) Continuance Act, 1965, (Central Act 9 of 1965), which has been published in the *Gazette of India,* Extraordinary, Part II, Section 1, dated the 2nd April, 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,

Under Secy. to Govt., L. D.

2

Assented to on 1st April 1965. Act No. 9 of 1965

THE ARMED FORCES (SPECIAL POWERS) CONTINUANCE ACT, 1965.

AN

ACT

to continue the Armed Forces (Special Powers) Regulation, 1958, *for a further period.*

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows :—

1. **Short title.**—This Act may be called the Armed Forces (Special Powers) Continuance Act, 1965.

2. **Amendment of section 1 of Regulation 2 of 1958.**—In the Armed Forces (Special Powers) Regulation, 1958, in section 1, in sub-section (4), for the words "seven years", the words "eight years" shall be substituted.

R. C. S. SARKAR,

Secretary to the Govt. of India.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section 1-B

CENTRAL ACTS AND ORDINANCES

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 45 LCA 65, dated Bangalore, the 5th May 1965.

Ordered that the Income-tax (Amendment) Act, 1965 (Central Act 1 of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 1, dated the 15th March 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt., L. D.

GOVERNMENT OF INDIA.

MINISTRY OF LAW

(Legislative Department)

New Delhi, the 15th March, 1965/*Phalguna* 24, 1886 (*Saka*)

The following Act of Parliament received the assent of the President on the 12th March, 1965, and is hereby published for general information :—

THE INCOME-TAX (AMENDMENT) ACT, 1965

No. 1 OF 1965

[12*th March,* 1965]

An Act further to amend the Income-tax Act, 1961 and to validate certain searches under that Act.

Be it enacted by Parliament in the Sixteenth Year of the Republic of India as follows :—

1. **Short title.**—This Act may be called the Income-tax (Amendment) Act, 1965.

2. **Substitution of new sections for section 132.**—For section 132 of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the principal Act), the following sections shall be substituted, namely :—

> '132. **Search and seizure.**—(1) Where the Director of Inspection or the Commissioner, in consequence of information in his possession, has reason to believe that—
>
> (*a*) any person to whom a summons under sub-section (1) of section 37 of the Indian Income-tax Act, 1922 (11 of 1922) or under sub-section (1) of section 131 of this Act, or a notice under sub-section(4) of section 22 of the Indian Income-tax Act, 1922 or under sub-section (1) of section 142 of this Act was issued to produce, or

cause to be produced, any books of account or other documents has omitted or failed to produce, or cause to be produced, such books of account or other documents as required by such summons or notice, or

(*b*) any person to whom a summons or notice as aforesaid has been or might be issued will not, or would not, produce or cause to be produced, any books of account or other documents which will be useful for, or relevant to, any proceeding under the Indian Income-tax Act, 1922 (11 of 1922) or under this Act, or

(*c*) any person is in possession of any money, bullion, jewellery or other valuable article or thing and such money, bullion, jewellery or other valuable article or thing represents either wholly or partly income or property which has not been disclosed for the purposes of the Indian Income-tax Act, 1922 (11 of 1922) or this Act (hereinafter in this section referred to as the undisclosed income or property),

he may authorise any Deputy Director of Inspection, Inspecting Assistant Commissioner, Assistant Director of Inspection or Income-tax Officer (hereinafter referred to as the authorised officer) to—

(*i*) enter and search any building or place where he has reason to suspect that such books of account, other documents, money, bullion, jewellery or other valuable article or thing are kept;

(*ii*) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clause (*i*) where the keys thereof are not available,

(*iii*) seize any such books of account, other documents, money, bullion, jewllery or other valuable article or thing found as a result of such search;

(*iv*) place marks of identification on any books of account or other documents are make or cause to be made extracts or copies therefrom;

(*v*) make a note or an inventory of any such money, bullion, jewellery or other valuable article or thing.

(2) The authorised officer may requisition the services of any police officer or of any officer of the Central Government, or of both, to assist him for all or any of the purposes specified in sub-section (1) and it shall be the duty of every such officer to comply with such requisition.

(3) The authorised officer may, where it is not practicable to seize any such book of account, other document, money, bullion, jewellery or other valuable article or thing, serve an order on the owner or the person who is in immediate possesssion or control thereof that he shall not remove, part with or otherwise deal with it except with the previous permission of such officer and such officer may take such steps as may be necessary for ensuring compliance with this sub-section.

(4) The authorised officer may, during the course of the search or seizure, examine on oath any person who is found to be in posession or control of any books of account, documents, money, bullion, jewellery or other valuable article or thing and any statement made by such person during such examination may thereafter be used in evidence in any proceeding under the Indian Income-tax Act, 1922 (11 of 1922) or under this Act.

(5) Where any money, bullion, jewellery or other valuable article or thing (hereinafter in this section 132A referred to as the assets) is seized under sub-section (1), the Income-tax Officer, after affording a reasonable opportunity to the person concerned for being heard and making such enquiry as may be prescribed, shall, within

ninety days of the seizure, make an order, with the previous approval of the Commissioner,—

(i) estimating the undisclosed income (including the income from the undisclosed property) in a summary manner to the best of his judgment on the basis of such materials as are available with him;

(ii) calculating the amount of tax on the income so estimated in accordance with the provisions of the Indian Income-tax Act, 1922 (11 of 1922). or this Act;

(iii) specifying the amount that will be required to satisfy any existing liability under this Act and any one or more of the Acts specified in clause (a) of sub-section (1) of section 230A in respect of which such person is in default or is deemed to be in default.

and retain in his custody such assets or part thereof as are in his opinion sufficient to satisfy the aggregate of the amounts referred to in clauses (ii) and (iii) and forthwith release the remaining portion, if any, of the assets to the person from whose custody they were seized.

Provided that if, after taking into account the materials available with him, the Income-tax Officer is of the view that it is not possible to ascertain to which particular previous year or years, such income or any part thereof relates, he may calculate the tax on such income or part, as the case may be as if such income or part were the total income chargeable to tax at the rates in force in the financial year in which the assets were seized.

Provided further that where a person has paid or made satisfactory arrangements for payment of all the amounts referred to in clauses (ii) and (iii) or any part thereof, the Income-tax Officer may, with the previous approval of the Commissioner, release the assets or such part thereof as he may deem fit in the circumstances of the case.

(6) The assets retained under sub-section (5) may be dealt with in accordance with the provisions of section 132A.

(7) If the Income-tax Officer is satisfied that the seized assets or any part thereof were held by such person for or on behalf of any other person, the Income-tax Officer, may proceed under sub section (5) against such other person and all the provisions of this section shall apply accordingly.

(8) The books of account or other documents seized under sub-section (1) shall not be retained by the authorised officer for a period exceeding one hundred and eighty days from the date of the seizure unless the reasons for retaining the same are recorded by him in writing and the approval of the Commissioner for such retention is obtained;

Provided that the Commissioner shall not authorise the retention of the books of account and other documents for a period exceeding thirty days after all the proceedings under the Indian Income-tax Act, 1922 (11 of 1922) or this Act in respect of the years for which the books of account or other documents are relevant are completed.

(9) The person from whose custody any books of account or other documents are seized under sub-section (1) may make copies thereof or take extracts therefrom, in the presence of the authorised officer or any other person empowered by him in this behalf, at such place and time as the authorised officer may appoint in this behalf.

(10) If a person legally entitled to the books of account or other documents seized under sub-section (1) objects for any reason to the approval given by the Commissioner under sub section (8), he may make an application to the Board stating therein the reasons for such objection and requesting for the return of the books of account or other documents.

(11) If any person objects for any reason to an order made under sub-section (5), he may, within thirty days of the date of such order, make an application to such

authority, as may be notified in this behalf by the Central Government in the Official Gazette (hereinafter in this section referred to as the notified authority), stating therein the reasons for such objection and requesting for appropriate relief in the matter.

(12) On receipt of the application under sub-section (10) the Board, or on receipt of the application under sub-section (11) the notified authority, may, after giving the applicant an opportunity of being heard, pass such orders as it thinks fit.

(13) The provisions of the Code of Criminal Procedure, 1898 (5 of 1898) relating to searches and seizure shall apply, so far as may be, to searches and seizure under sub-section (1).

(14) The Board may make rules in relation to any search or seizure under this section; in particular, and without prejudice to the generality of the foregoing power, such rules may provide for the procedure to be followed by the authorised officer—

(i) for obtaining ingress into such building or place to be searched where free ingress thereto is not available;

(ii) for ensuring safe custody of any books of account or other documents or assets seized.

Explanation 1.—In computing the period of ninety days for the purposes of sub-section (5), any period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded.

Explanation 2.—In this section, the word "proceeding" means any proceeding in respect of any year, whether under the Indian Income-tax Act, 1922 (11 of 1922) or this Act, which may be pending on the date on which a search is authorised under this section or which may have been completed on or before such date and includes also all proceedings under this Act which may be commenced after such date in respect of any year.

132A. Application of retained assets.—(1) The assets retained under sub-section (5) of section 132 may be dealt with in the following manner, namely:—

(i) The amount of the existing liability referred to in clause (iii) of the said sub-section and the amount of the liability determined on completion of the regular assessment or re-assessment for all the assessment years relevant to the previous years to which the income referred to in clause (i) of that sub-section relates, and in respect of which he is in default or is deemed to be in default may be recovered out of such assets.

(ii) If the assets consist solely of money, or partly of money and partly of other assets, the Income-tax Officer may apply such money in the discharge of the liabilities referred to in clause (i) and the assessee shall be discharged of such liability to the extent of the money so applied.

(iii) The assets other than money may also be applied for the discharge of any such liability referred to in clause (i) as remains undischarged and for this purpose such assets shall be deemed to be under distraint as if such distraint was effected by the Income-tax Officer under authorisation from the Commissioner under sub-section (5) of section 226 and the Income-tax Officer may recover the amount of such liabilities by the sale of such assets and such sale shall be effected in the manner laid down in the Third Schedule.

(2) Nothing contained in sub-section (1) shall preclude the recovery of the amount of liabilities aforesaid by any other mode laid down in this Act.

(3) Any assets or proceeds thereof which remain after the liabilities referred to in clause (i) of sub-section

(1) are discharged shall be forthwith made over or paid to the persons from whose custody the assets were seized.

(4) (a) The Central Government shall pay simple interest at the rate of six per cent. per annum on the amount by which the aggregate of mony retained under section 132 and of the proceeds, if any, of the assets sold towards the discharged of the existing liability referred to in clause (iii) of sub-section (5) of that section exceeds the aggregate of the amounts required to meet the liabilities referred to in clause (i) of sub-section (1) of this section.

(b) Such interest shall run from the date immediatly following the expiry of the period of six months from the date of the order under sub-section (5) of section 132 to the date of the regular assessment or reassesssment referred to in clause (*i*) of sub-section (*1*) or, as the case may be, to the date of last of such assessments or reassessments.'.

3. **Amendment of Section 271.**—In section 271 of the principal Act, after sub-section (4), the following sub-sections shall be inserted, namely :—

"(*4A*) Notwithstanding anything contained in clause (*i*) or clause (*iii*) of sub-section (1) the Commissioner may, in his discretion—

(*i*) reduce or waive the amount of minimum penalty imposable on a person under clause (*i*) of sub-section (1) for failure, without reasonable cause, to furnish the return of total income which such person was required to furnish under sub-section (1) of section 139, or

(*ii*) reduce or waive the amount of minimum penalty imposable on a person under clause (*iii*) of sub-section (1),

if he is satisfied that such person—

(*a*) in the case referred to in clause (*i*) of this sub-section has, prior to the issue of notice to him under sub-section (*2*) of section 139, voluntarily and in good faith, made full disclosure of his income; and in the case referred to in clause (*ii*) of this sub-section has, prior to the detection by the Income-tax Officer, of the concealment of particulars of Income in respect of which the penalty is imposable, or of the inaccuracy of particulars furnished in respect of such income, voluntarily and in good faith, made full and true disclosure of such particulars;

(*b*) has co-operated in any enquiry relating to the assessment of such income; and

(*c*) has either paid or made satisfactory arrangements for payment of any tax or interest payable in consequence of an order passed under this Act in respect of the relevant assessment year:

Provided that if in a case the minimum penalty imposable under clause (*i*) or, as the case may be, clause (*iii*) of sub-section (1) in respect of the relevant assessment year, or where such disclosure relates to more than one assessment year, the aggregate of the minimum penalty imposable in respect of those years, exceeds a sum of rupees fifty thousand, no order reducing or waiving the penalty shall be made by the Commissioner unless the previous approval of the Board has been obtained.

(4B) An order under sub-section (4A) shall be final and shall not be called in question before any court of law or any other authority "

4. **Insertion of new section 275A.**—In Chapter XXII of the principal Act, before section 276, the following section shall be inserted, namely:—

"275A. **Contravention of order made under sub-section (3) of section 132.**—Whoever contravenes any order referred to in sub-section (3) of section 132 shall be punishable with rigorous imprisonment which may extend to two years and shall also be liable to fine."

5. **Amendment of section 279.**—In section 279 of the principal Act,—

(*i*) in sub-section (1), after the words "offence under," the words, figures and letter "section 275A or" shall be inserted;

(*ii*) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1*A*) A person shall not be proceeded against for an offence under section 277 in relation to the assessment for an assessment year in respect of which the penalty imposable upon him under clause (*iii*) of sub-section (1) of section 271 has been reduced or waived by an order under sub-section (4A) of that section.";

(*iii*) after sub-section (2), the following sub-section shall be inserted, namely:—

" (3) Where any proceeding has been taken against any person under sub-section (1), any statement made or account or other document produced by such person before any of the Income-tax authorities specified in clauses (*a*), (*b*), (*c*), (*d*) and (*e*) of section 116 shall not be inadmissible as evidence for the purpose of such proceedings merely on the ground that such statement was made or such account or other document was produced in the belief that the penalty imposable would be reduced or waived under sub-section (*4A*) of section 271 or that the offence in respect of which such proceeding was taken would be compounded.".

6. **Validation of certain searches made.**—Any search of a building or place by an Inspecting Assistant Commissioner or Income-tax Officer purported to have been made in pursuance of sub-section (1) of section 132 of the principal Act before the commencement of this Act shall be deemed to have been made in accordance with the provisions of that sub-section as amended by this Act as if those

provisions were in force on the day the search was made and shall not be called in question before any court of law or any other authority merely on the ground—

(*i*) that the Inspecting Assistant Commissioner or the Income-tax Officer made such search with the assistance of any other person ; or

(*ii*) that no proceeding under the Indian Income-tax Act, 1922 (11 of 1922), or the principal Act was pending against the person concerned when the search was authorised under the said sub-section.

7. **Repeal and saving.**—(1) The Income-tax (Amendment) Ordinance, 1965 (1 of 1965) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act as if this Act had commenced on the 6th day of January, 1965.

R. C. S. SARKAR,

Secretary to the Government of India.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section—1-B

CENTRAL ACTS AND ORDINANCES

NOTIFICATION

(LAW DEPARTMENT).

No. LAW 67 LCA 65, dated Bangalore, the 18th June 1965.

Ordered that the Representation of the People (Amendment) Act, 1965 (Central Act 14 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 24th May 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,
Under Secy. to Govt.,

Assented to on 21st May 1965. Act No. 14 of 1965

THE REPRESENTATION OF THE PEOPLE (AMENDMENT) ACT, 1965

AN
ACT

further to amend the Representation of the People Act, 1950.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Representation of the People (Amendment) Act, 1965.

2. Amendment of Fourth Schedule to Act 43 of 1950.— In the Fourth Schedule to the Representation of the People Act, 1950,—

(*a*) under the heading "ANDHRA PRADESH", the entry "4. City and Town Committees." shall be omitted;

(*b*) under the heading "MYSORE", after the entry "4. Notified Area Committees.", the entry "5. Town Panchayats." shall be inserted;

(*c*) under the heading "WEST BENGAL",—

(*i*) for the entry "2. District Boards." the entry "2. Zilla Parishads." shall be substituted,

(*ii*) for the entry "4. Local Boards.", the following entries shall be substituted, namely:—

"4. Anchalik Parishads.
5. Town Committees."

R. C. S. SARKAR,

Secretary to the Government of India.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore

PART IV

Section —1-B

CENTRAL ACTS AND ORDINANCES

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 62 LOA 65, Bangalore, dated the 21st June 1965.

Ordered that the payment of Bonus Ordinance, 1965 (Central Ordinance 3 of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 1, dated the 29th May 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,

Under Secy. to Govt., L. D.

THE PAYMENT OF BONUS ORDINANCE, 1965

No. 3 OF 1965.

Promulgated by the President in the Sixteenth Year of the Republic of India.

An Ordinance to provide for the payment of bonus to persons employed in certain establishments and for matters connected therewith.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

1. *Short title, extent, commencement and application.*—(1) This Ordinance may be called the Payment of Bonus Ordinance, 1965.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force at once.

(4) Save as otherwise provided, it shall apply to—

(*a*) every factory; and

(*b*) every other establishment in which twenty or more persons are employed on any day during an accounting year,

in respect of the accounting year commencing on any day in the year 1964, and in respect of every subsequent accounting year.

(5) An establishment to which this Ordinance applies under clause (*b*) of sub-section (4) shall continue to be governed by this Ordinance notwithstanding that the number of persons employed therein falls below twenty.

2. *Definitions.*—In this Ordinance, unless the context otherwise requires,—

(1) "accounting year" means—

(*i*) in relation to a corporation, the year ending on the day on which the books and accounts of the corporation are to be closed and balanced;

(*ii*) in relation to a company, the period in respect of which any profit and loss account of the company laid before it in annual general meeting is made up, whether that period is a year or not;

(*iii*) in any other case—

(*a*) the year commencing on the 1st day of April; or

(*b*) if the accounts of an establishment maintained by the employer thereof are closed and balanced on any day other than the 31st day of March, then, at the option of the employer, the year ending on the day on which its accounts are so closed and balanced:

Provided that an option once exercised by the employer under paragraph (*b*) of this sub-clause shall not again be exercised except with the previous permission in writing of the prescribed authority and upon such conditions as that authority may think fit;

(2) "agricultural income" shall have the same meaning as in the Income-tax Act;

(3) "agricultural income-tax law" means any law for the time being in force relating to the levy of tax on agricultural income;

(4) "allocable surplus" means—

(*a*) in relation to an employer, being a company (other than a banking company) which has not made the arrangements prescribed under the Income-tax Act for the declaration and payment within India of the dividends payable out of its profits in accordance with the provisions of section 194 of that Act, sixty-seven per cent of the available surplus in an accounting year;

(*b*) in any other case, sixty per cent of such available surplus,

and includes any amount treated as such under the first proviso to sub-section (1) of section 34;

(5) "appropriate Government" means—

(*i*) in relation to an establishment in respect of which the appropriate Government under the Industrial Disputes Act, 1947 (14 of 1947), is the Central Government, the Central Government;

(*ii*) in relation to any other establishment, the Government of the State in which that other establishment is situate ;

(6) "available surplus" means the available surplus computed under Section 5 ;

(7) "award" means an interim or a final determination of any industrial dispute or of any question relating thereto by any Labour Court, Industrial Tribunal or National Tribunal constituted under the Industrial Disputes Act, 1947 (14 of 1947), or by any other authority constituted under any corresponding law relating to investigation and settlement of industrial disputes in force in a State and includes an arbitration award made under Section 10A of that Act or under that law ;

(8) "banking company" means a banking company as defined in Section 5 of the Banking Companies Act, 1949 (10 of 1949), and includes the State Bank of India, any subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959), and any other banking institution which may be notified in this behalf by the Central Government ;

(9) "company" means any company as defined in Section 3 of the Companies Act, 1956 (1 of 1956), and includes a foreign company within the meaning of Section 591 of that Act ;

(10) "co-operative society" means a society registered or deemed to be registered under the Co-operative Societies Act, 1912 (2 of 1912) or any other law for the time being in force in any State relating to co-operative societies ;

(11) "corporation" means any body corporate established by or under any Central, Provincial or State Act but does not include company or a co-operative society ;

(12) "direct tax" means—

(*a*) any tax chargeable under—

(*i*) the Income-tax Act ;
(*ii*) the Super Profits Tax Act, 1963 (14 of 1963);,
(*iii*) the Companies (Profits) Surtax Act, 1964 (7 of 1964);.
(*iv*) the agricultural income-tax law ; and

(*b*) any other tax which having regard to its nature or incidence, may be declared by the Central Government, by notification in the Official Gazette, to be a direct tax for the purposes of this Ordinance ;

(13) "employee" means any person (other than an apprentice) employed on a salary or wage not exceeding one thousand and six hundred rupees per mensem in any industry to do any skilled or unskilled manual, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied;

(14) "employer" includes--

(*i*) in relation to an establishment which is a factory, the owner or occupier of the factory, including the agent of such owner or occupier, the legal representative of a deceased owner or occupier and where a person has been named as a manager of the factory under clause (*f*) of sub-section (1) of Section 7 of the Factories Act, 1948, (63 of 1948). the person so named; and

(*ii*) in relation to any other establishment, the person who, or the authority which, has the ultimate control over the affairs of the establishment and where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent;

(15) "establishment in private sector" means any establishment other than an establishment in public sector;

(16) "establishment in public sector" means an establishment owned, cotrolled or managed by—

(*a*) a Government company as defined in Section 617 of the Companies Act, 1956 (1 of 1956);.

(*b*) a corporation which is owned, controlled or managed by the Government or the Reserve Bank of India;

(*c*) a corporation in which not less than forty per cent of its capital is held (whether singly or taken together) by--

(*i*) the Government; or

(*ii*) the Reserve Bank of India; or

(*iii*) a corporation owned by the Government or the Reserve Bank of India;

(17) "factory" shall have the same meaning as in clause (*m*) of Section 2 of the Factories Act, 1948 (63 of 1948);

(18) "gross profits" means the gross profits calculated under Section 4;

(19) "Income-tax Act" means the Income-tax Act, 1961 (43 of 1961.)

(20) "prescribed" means prescribed by rules made under this Ordinance;

(21) "salary or wage" means all remuneration (other than remuneration in respect of over-time work) capable of being expressed in terms of money, which would, if the terms of employment express or implied, were fulfilled, be payable to an employee in respect of his employment or of work done in such employment and includes dearness allowance (that is to say, all cash payments, by whatever name called, paid to an employee on account of a rise in the cost of living), but does not include—

(*i*) any other allowance which the employee is for the time being entitled to;

(*ii*) the value of any house accommodation or of supply of light, water, medical attendance or other amenity or of any service or of any concessional supply of foodgrains or other articles;

(*iii*) any travelling concession;

(*iv*) any bonus (including incentive, production and attendance bonus);

(*v*) any contribution paid or payable by the employer to any, pension fund or provident fund or for the benefit of the employee under any law for the time being in force;

(*vi*) any retrenchment compensation or any gratuity or other retirement benefit payable to the employee or any *ex gratia* payment made to him;

(*vii*) any commission payable to the employee.

Explanation.—Where an employee is given in lieu of the whole or part of the salary or wage payable to him, free food allowance or free food by his employer, such food allowance or the value of such food shall, for the purpose of this clause, be deemed to form part of the salary or wage of such employee;

(22) words and expressions used but not defined in this Ordinance and defined in the Industrial Disputes Act, 1947, (14 of 1947) shall have the meanings respectively assigned to them in that Act.

3. *Establishments to include departments, undertakings and branches.*—Where an establishment consists of different departments or undertakings or has branches, whether situated in the same place or in different places, all such departments or undertakings or branches shall be treated as parts of the same establishment for the purpose of computation of bonus under this Ordinance;

Provided that where for any accounting year a separate balance-sheet and profit and loss account are prepared and maintained in respect of any such department or undertaking or branch, then, such department or undertaking or branch shall be treated as a separate establishment for the purpose of computation of bonus under this Ordinance for that year, unless such department or undertaking or branch was, immediately before the commencement of that accounting year treated as part of the establishment for the purpose of computation of bonus.

4. *Computation of gross profits.*—The gross profits derived by an employer from an establishment in respect of any accounting year shall—

(*a*) in the case of a banking company, be calculated in the manner specified in the First Schedule;

(*b*) in any other case, be calculated in the manner specified in the Second Schedule.

5. *Computation of available surplus.*—The available surplus in respect of any accounting year shall be the gross profits for that year after deducting therefrom the sums referred to in section 6.

6. *Sums deductible from gross profits.*—The following sums shall be deducted from the gross profits as prior charges, namely :—

(*a*) any amount by why of depreciation admissble in accordance with the provisions of sub-section (1) of section 32 of the Income-tax Act, or in accordance with the provisions of the agricultural income-tax law, as the case may be :

Provided that where an employer has been paying bonus to his employees under an award, settlement or agreement made before the commencement of this Ordinance and subsisting at such commencement after deducting from the gross profits notional normal depreciation, then, the amount of depreciation to be deducted under this clause shall, at the option of such employer (such option to be exercised once and within one year of the commencement of this Ordinance) continue to be such notional normal depreciation ;

(*b*) any amount by way of development rebate or development allowance which the employer is entitled to deduct from his income under the Income-tax Act,

(*c*) subject to the provisions of section 7, any direct tax which the employer is liable to pay for the accounting year in respect of his income, profits and gains during that year,

(*d*) such further sums as are specified in respect of the employer in the Third Schedule.

7. *Calculation of direct tax payable by the employer.*—For the purpose of clause (c) of section 6, any direct tax payable by the employer for any accounting year shall, subject to the following provisions, be calculated at the rates applicable to the income of the employer for that year, namely :—

(*a*) in calculating such tax no account shall be taken of—

(*i*) any loss incurred by the employer in respect of any previous accounting year and carried forward under any law for the time being in force relating to direct taxes ;

(*ii*) any arrears of depreciation which the employer is entitled to add to the amount of the allowance for depreciation for any following accounting year or years under sub-section (2) of section 32 of the Income-tax Act ;

(*iii*) any exemption conferred on the employer under section 84 of the Income-tax Act or of any deduction to which he is entitled under sub-section (*1*) of section 101 of that Act, as in force immediately before the commencement of the Finance Act, 1965 (10 of 1965) ;

(*b*) where the employer is a religious or a charitable institution to which the provisions of section 32 do not apply and the whole or any part of its income is exempt from tax under the Income-tax Act, then, with respect to the income so exempted, such institution shall be treated as if it were a company in which the public are substantially interested within the meaning of that Act ;

(*c*) where the employer is an individual or a Hindu undivided family, the tax payable by such employer under the

Income-tax Act shall be calculated on the basis that the income derived by him from the establishment is his only income;

(*d*) where the income of any employer includes any profits and gains derived from the export of any goods or merchandise out of India and any rebate on such income is allowed under any law for the time being in force relating to direct taxes, then, no account shall be taken ot such rebate;

(*e*) no account shall be taken of any rebate (other than development rebate or development allowance) or credit or relief or deduction (not hereinbefore mentioned in this section) in the payment of any direct tax allowed under any law for the time being in force relating to direct taxes or under the relevant annual Finance Act, for the development of any industry.

8. *Eligibility for bonus.*—Every employee shall be entitled to be paid by his employer in an accounting year, bonus, in accordance with the provisions of this Ordinance provided he has worked in the establishment for not less than thirty working days in that year.

9. *Disqualification for bonus.*—Notwithstanding anything contained in this Ordinance, an employee shall be disqualified from receiving bonus under this Ordinance, if he is dismissed from service for—

(*a*) fraud; or

(*b*) riotous or violent behaviour while on the premises of the establishment; or

(*c*) theft, misappropriation or sabotage of any property of the establishment.

10. *Payment of minimum bonus.*—Every employer shall be bound to pay to every employee who has worked in the establishment for all the working days in an accounting year a minimum bonus which shall be four per cent of the salary or wage of the employee for the accounting year or forty rupees, whichever is higher, whether there are profits in the accounting year or not:

Provided that where such employee has not completed fifteen years of age at the beginning of the accounting year, the provisions of this section shall have effect in relation to such employee as if for the words "forty rupees", the words "twenty-five rupees" were substituted.

11. *Payment of maximum bonus.*—(1) Where in respect of any accounting year the allocable surplus exceeds the amount of minimum bonus payable to the employees under section 10, the employer shall, in lieu of such minimum bonus, be bound to pay bonus to every employee who has worked in the establishment for all the working days in the accounting year which shall be an amount in proportion to the salary or wage of the employee for the accounting year subject to a maximum of twenty per cent of such salary or wage.

(2) In computing the allocable surplus under this section, the amount set on or the amount set off under the provisions of section 15 shall be taken into account in accordance with the provisions of that section.

12. *Calculation of bonus with respect to certain employees.*—Where the salary or wage of an employee exceeds seven hundred and fifty rupees per mensem, the bonus payable to such employee under section 10 or, as the case may be, under section 11, shall be calculated as if his salary or wage were seven hundred and fifty rupees per mensem.

13. *Proportionate reduction of bonus in certain cases.*—Where an employee has not worked for all the working days in any accounting year, the amount of bonus to which he shall be entitled under section 10 or, as the case may be, under section 11, shall be proportionately reduced.

14. *Computation of number of working days.*—In computing for the purposes of sections 10 and 11 the number of days on which an employee has worked in an establishment in any accounting year, the days on which—

(*a*) he has been laid off under an agreement or as permitted by standing orders under the Industrial Employment (Standing Orders) Act, 1946 (20 of 1946), or under the Industrial Disputes Act, 1947 (14 of 1947), or under any other law applicable to the establishment;

(*b*) he has been on leave with salary or wage;

(*c*) he has been absent due to temporary disablement caused by accident arising out of and in the course of his employment; and

(*d*) the employee has been on maternity leave with salary or wage,

during the accounting year shall be included.

15. *Set on and set off of allocable surplus.*—(1) Where for any accounting year the allocable surplus exceeds the amount of maximum bonus payable to the employees in the establishment under section 11, then, the excess shall, subject to a limit of twenty per cent. of the total salary or wage of the employees employed in the establishment in that accounting year, be carried forward for being set on in the succeeding accounting year and so on up to and inclusive of the fourth accounting year to be utilised for the purpose of payment of bonus in the manner illustrated in the Fourth Schedule.

(2) Where for any accounting year, there is no available surplus or the allocable surplus in respect of that year falls short of the amount of minimum bonus payable to the employees in the establishment under section 10, and there is no amount or sufficient amount carried forward and set on under sub-section (1) which could be utilised for the purpose of payment of the minimum bonus, then, such minimum amount or the deficiency, as the case may be, shall be carried forward for being set off in the succeeding accounting year and so on up to and inclusive of the fourth accounting year in the manner illustrated in the Fourth Schedule.

(3) The principle of set on and set off as illustrated in the Fourth Schedule shall apply to all other cases not covered by sub.section (1) or sub-section (2) for the purpose of payment of bonus under this Ordinance.

(4) Where in any accounting year any amount has been carried forward and set on or set off under this section, then, in calculating bonus for the succeeding accounting year, the amount of set on or set off brought forward from the earliest accounting year shall first be taken into account.

16. *Special provisions with respect to certain establishments.* (1) Where an establishment is newly set up, whether before or after the commencement of this ordinance, the employees of such establishment shall be entitled to be paid bonus under this Ordinance only—

(a) from the accounting year in which the employer derives profit from such establishment ; or

(b) from the sixth accounting year following the accounting year in which the employer sells the products manufactured by him or renders services, as the case may be from such establishment, whichever is earlier:

Provided that nothing in this sub-section shall, save as otherwise provided in section 33, be construed as entitling the employees of any such establishment to be paid bonus in respect of any accounting year prior to the accounting year commencing on any day in the year 1964.

Explanation I.—For the purpose of this section, an establishment shall not be deemed to be newly set up merely by reason of a change in its location, management, name or ownership.

Explanation II.—For the purpose of clause (a), an employer shall not be deemed to have derived profit in any accounting year unless—

(a) he has made provision for that year's depreciation to which he is entitled under the Income-tax Act or, as the case may be, under the agricultural income-tax law;

(b) the arrears of such depreciation and losses incurred by him in respect of the establishment for the previous accounting years have been fully set off against his profits.

Explanation III.—For the purpose of clause (b), sale of the articles produced or manufactured during the course of the trial run of any factory or of the prospecting stage of any mine or an oil-field shall not be taken into consideration and where any question arises with regard to such production or manufacture, the decision of the appropriate Government, made after giving the parties a reasonable opportunity of representing the case, shall be final and shall not be called in question by any court or other authority.

(2) The provisions of sub-section (1) shall, so far as may be, apply to new departments or undertakings or branches set up by existing establishments:

Provided that if an employer in relation to an existing establishment consisting of different departments or undertakings or branches (whether or not in the same industry) set up at different periods has before the commencement of this Ordinance, been paying bonus to the employees of all such departments or undertakings or branches irrespective of the date on which such departments or undertakings or branches were set up, on the basis of the consolidated profits computed in respect of all such departments or undertakings or branches, then, such employer shall be liable to pay bonus in accordance with the provisions of this Ordinance to the employees of all such departments or undertakings or branches (whether set up before or after such commencement) on the basis of the consolidated profits computed as aforesaid.

17. *Adjustment of customary or interim bonus against bonus payable under the Ordinance.*— Where in any accounting year—

(*a*) an employer has paid any puja bonus or other customary bonus to an employee ; or

(*b*) an employer has paid a part of the bonus payable under this Ordinance to an employee before the date on which such bonus becomes payable,

then the employer shall be entitled to deduct the amount of bonus so paid from the amount of bonus payable by him to the employee under this Ordinance in respect of that accounting year and the employee shall be entitled to receive only the balance.

18. *Deduction of certain amounts from bonus payable under the Ordinance.*—Where in any accounting year, an employee is found guilty of misconduct causing financial loss to the employer, then, it shall be lawful for the employer to deduct the amount of loss from the amount of bonus payable by him to the employee under this Ordinance in respect of that accounting year only and the employee shall be entitled to receive the balance, if any.

19. *Time-Limit for payment of bonus* —All amounts payable to an employee by way of bonus under this Ordinance shall be paid in cash by his employer—

(*a*) where there is a dispute regarding payment of bonus pending before any authority under section 22, within a month of the settlement or award in respect of such dispute ;

(*b*) in any other case, within a period of eight months from the close of the accounting year.

Provided that the appropriate Government or such authority as the appropriate Government may specify in this behalf may, upon an application made to it by the employer and for sufficient reasons, by order, extend the said period of eight months to such further period or periods as it thinks fit; so, however, that the total period so extended shall not in any case exceed two years.

20. *Application of Ordinance to establishments in public sector in certain cases.*—(1) If in any accounting year an establishment in public sector sells any products manufactured by it or renders any services, in competition with an establishment in private sector, and the income from such sale or services or both is not less than twenty per cent. of the gross income of the establishment in public sector for that year, then, the provisions of this Ordinance shall apply in relation to such establishment in public sector as they apply in relation to a like establishment in private sector.

(2) An establishment in public sector to which this Ordinance applies shall continue to be governed by this Ordinance notwithstanding that in any subsequent accounting year its income from the sale of products manufactured by it or from services rendered or from both, in competition with an establishment in private sector, falls below twenty per cent of its gross income for that accounting year,

21. *Recovery of bonus due from an employer.*—Where any money is due to an employee by way of bonus from his employer under a settlement or an award, the employee himself or any other preson authorised by him in writing in this behalf, or in the case of the death of the employee, his assignee or heirs may, without prejudice to any other mode of recovery, make an application to the appropriate Government for the recovery of the money due to him, and if the appropriate Government or such authority as the appropriate Government may specify in this behalf is satisfied that any money is so due, it shall issue a certificate for that amount to the Collector who shall proceed to recover the same in the same manner as an arrear of land revenue.

Provided that every such application shall be made within one year from the date on which the money became due to the employee from the employer:

Provided further that any such application may be entertained after the expiry of the said period of one year, if the appropriate Government is satisfied that the applicant had sufficient cause for not making the application within the said period.

Explanation.--In this section and in sections 22, 23, 24 and 25 "employee" includes a person who is entitled to the payment of bonus under this Ordinance but who is no longer in employment.

22. *Reference of disputes under the Ordinance.*—Where any dispute or difference arises between an employer and his employees with respect to the calculation of bonus under this Ordinance or with respect to the application of this Ordinance to an establishment in public sector, then, such dispute shall be deemed to be an industrial dispute within the meaning of the Industrial Disputes Act, 1947 (14 of 1947) or of any corresponding law relating to investigation and settlement of industrial disputes in force in a State and the provisions of that Act or, as the case may be, such law, shall, save as otherwise expressly provided, apply accordingly.

23. *Presumption about accuracy of balance sheet and profit and loss account of corporations and companies.*—(1) Where, during the course of proceedings before any arbitrator or Tribunal under the Industrial Disputes Act, 1947 (14 of 1947) or under any corresponding law relating to investigation and settlement of industrial disputes in force in a State (hereinafter in this section and in sections 24 and 25 referred to as the "said authority") to which any dispute or difference of the nature specified in section 22 has been referred, the balance-sheet and the profit and loss account of an employer, being a corporation or a company (other than a banking company) duly audited by the Comptroller and Auditor-General of India or by auditors duly qualified to act as auditors of companies under sub-section (1) of section 226 of the Companies Act, 1956 (1 of 1956) are produced before it, then, the said authority may presume the statements and particulars contained in such balance-sheet and profit and loss account to be accurate and it shall not be necessary for the corporation or the company to prove the accuracy of such statements and particulars by the filing of an affidavit or by any other mode:

Provided that where the said authority is satisfied that the statements and particulars contained in the balance-sheet or the profit and loss account of the corporation or the company are not accurate, it may take such steps as it thinks necessary to find out the accuracy of such statements and particulars.

(2) When an application is made to the said authority by any trade union being a party to the dispute or difference or where there is no trade union, by the employees being a party to the dispute or difference, requiring any clarification relating to any item in the balance-sheet or the profit and loss account, it may, after satisfying itself that such clarification is necessary, by order, direct the corporation or, as the case may be, the company, to furnish to the trade union or the employees such clarification within

such time as may be specified in the direction and the corporation or, as the case may be, the company, shall comply with such direction.

24. *Audited accounts of banking companies not to be questioned.*—(1) Where any dispute or difference of the nature specified in section 22 between an employer, being a banking company, and its employees has been referred to the said authority under that section and during the course of proceedings the accounts of the banking company duly audited are produced before it, the said authority shall not permit any trade union or employees to question the correctness of such accounts, but the trade union or the employees may be permitted to obtain from the banking company such information as is necessary for verifying the amount of bonus due under this Ordinance.

(2) Nothing contained in sub-section (1) shall enable the trade union or the employees to obtain any information which the banking company is not compelled to furnish under the provisions of section 34A of the Banking Companies Act, 1949 (10 of 1949.)

25. *Audit of accounts of employers, not being corporations or companies.*—(1) Where any dispute or difference of the nature specified in section 22 between an employer, not being a corporation or a company, and his employees has been referred to the said authority under that section and the accounts of such employer audited by any auditor duly qualified to act as auditor of companies under sub-section (1) of section 226 of the Companies Act, 1956, (1 of 1956) are produced before the said authority, the provisions of section 23, shall, so far as may be, apply to the accounts so audited

(2) When the said authority finds that the accounts of such employer have not been audited by any such auditor and it is of opinion that an audit of the accounts of such employer is necessary for deciding the question referred to it, then, it may, by order, direct the employer to get his accounts audited within such time as may be specified in the direction or within such further time as it may allow by such auditor or auditors as it thinks fit and thereupon the employer shall comply with such direction.

(3) Where an employer fails to get the accounts audited under sub-section (2) the said authority may, without prejudice to the provisions of section 23, get the accounts audited by such auditor or auditors as it thinks fit.

(4) When the accounts are audited under sub-section (2) or sub-section (3) the provisions of section 23 shall, so far as may be, apply to the accounts so audited.

(5) The expenses of, and incidental to, any audit under sub-section (3) (including the remuneration of the auditor or auditors) shall be determined by the said authority (which determination shall be final) and paid by the employer and in defult of such payment shall be recoverable from the employer in the manner provided in Section 21.

26. *Maintenance of registers records etc.*,—Every employer shall prepare and maintain such registers, records and other documents in such form and in such manner as may de prescribed.

27. *Inspectors.*-- (1) The appropriate Government may, by notification in the Official Gazette, appoint such persons as it thinks fit to be Inspectors for the purposes of this Ordinance and may define the limits within which they shall exercise jurisdiction.

(2) An Inspector appointed under sub-section (1) may, for the purpose of ascertaining whether any of the provisions of this Ordinance has been complied with—

(*a*) require an employer to furnish such information as he may consider necessary;

(*b*) at any reasonable time, enter any establishment or any premises connected therewith and require any one found in charge thereof to produce before him for examination any acounts, books, registers and other documents relating to the employment of persons or the payment of salary or wage or bonus in the establishment.

(*c*) examine with respect to any matter relevant to any of the purposes aforesaid, the employer, his agent or servant or any other person found in charge of the establishment or any premises connected therewith or any person whom the Inspector has reasonable cause to believe to be or to have been an employee in the establishment.

(*d*) make copies of, or take extracts from, any book, register or other document maintained in relation to the establishment.

(*e*) exercise such other powers as may be prescribed.

(3) Every Inspector shall be deemed to be a public servant within the meaning of the Indian Penal Code (45 of 1860).

(4) Any person required to produce any accounts, book, register or other document or thing or to give information by an Inspector under sub-section (1) shall be legally bound to do so.

(5) Nothing contained in this section shall enable an Inspector to require a banking company to furnish or disclose any statement or information or to produce, or give inspection of, any of its books of account or other documents which a banking company cannot be compelled to furnish, disclose, produce or give inspection of, under the provisions of section 34A of the Banking Companies Act, 1949 (10 of 1949).

28. *Penalty.*— If any person—

(*a*) contravenes any of the provisions of this Ordinance or any rule made thereunder; or

(*b*) to whom a direction is given or a requisition is made under this Ordinance fails to comply with the direction or requisition.

he shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to one thousand rupees or with both.

29. *Offences by companies.*—(1) If the person committing an offence under this Ordinance is a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly;

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Ordinance has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall

also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a*) "company" means any body corporate and includes a firm or other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

30. *Cognizance of offences.*—(1) No court shall take cognizance of any offence punishable under this Ordinance, save on complaint made by or under the authority of the appropriate Government.

(*2*) No court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under this Ordinance.

31. *Protection of action taken under the Ordinance.*—No suit, prosecution or other legal proceeding shall lie against the Government or any officer of the Government for anything which is in good faith done or intended to be done in pursuance of this Ordinance or any rule made thereunder.

32. *Ordinance not to apply to certain classes of employees.*—Nothing in this Ordinance shall apply to—

(*i*) employees employed by any insurer carrying on general insurance business and the employees employed by the Life Insurance Corporation of India;

(*ii*) seamen as defined in clause (*42*) of section 3 of the Merchant Shipping Act, 1958 (44 of 1958);

(*iii*) employees registered or listed under any scheme made under the Dock Workers (Regulation of Employment) Act, 1948 (9 of 1948) and employed by registered or listed employers;

(*iv*) employees employed in an establishment engaged in any industry carried on by or under the authority of any department of the Central Government or a State Government or a local authority;

(*v*) employees employed by—

(*a*) theIndian Red Cross Society or any other institution of a like nature (including its branches);

(*b*) universities and other educational institutions; and (*c*) institutions (including hospitals, chambers of commerce and social welfare institutions) established not for purposes of profit;

(*vi*) employees employed through contractors on building operations;

(*vii*) employees—

(*a*) who have entered before the commencement of this Ordinance into any agreement or settlement with their employers for payment of an annual bonus linked with production or productivity in lieu of bonus based on profits; or

(*b*) who may enter after such commencement into any agreement or settlement with their employers for payment of such annual bonus in lieu of the bonus payable under this Ordinance,

for the period for which such agreement or settlement is in operation;

(*viii*) employees employed by the Reserve Bank of India;

(*ix*) employees employed by—

(*a*) the Industrial Finance Corporation of India;

(*b*) any Financial Corporation established under section 3, or any Joint Financial Corporation established under section 3A. of the State Financial Corporations Act, 1951 (63 of 1951),

(*c*) the Deposit Insurance Corporation;

(*d*) the Agricultural Refinance Corporation;

(*e*) the Unit Trust of India; and

(*f*) the Industrial Development Bank of India;

(*x*) employees employed in any establishment in public sector, save as otherwise provided in this Ordinance.

33. *Ordinance to apply to certain pending disputes regarding payment of bonus.*—Where immediately before the 2nd September, 1964, any industrial dispute regarding payment of bonus relating to any accounting year ending on any day in the year 1962, and any subsequent accounting year was pending before the appropriate Government or before any Tribunal or other authority constituted under the Industrial Disputes Act, 1947 (14 of 1947); or under any corresponding law relating to investigation and settlement of

industrial disputes in a State, such dispute shall be decided in accordance with the provisions of this Ordinance.

Explanation.—A dispute shall be deemed to be pending before the appropriate Government where no decision of that Government on any application made to it under the said Act or such corresponding law for reference of that dispute to adjudication has been made or where having received the report of the Conciliation Officer (by whatever designation known) under the said Act or law, the appropriate Government has not passed any order refusing to make such reference.

34. *Effect of laws and agreements inconsistent with the Ordinance.*—(1) Save as otherwise provided, the provisions of this Ordinance shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in the terms of any award, agreement, settlement or contract of service made before the commencement of this Ordinance:

Provided that if in respect of any accounting year the total bonus payable to all the employees in any establishment under this Ordinance is less than the total bonus paid or payable to all the employees in that establishment in the base year under such award, agreement, settlement or contract of service, then, the employees in the establishment shall be paid bonus in respect of that accounting year as if the allocable surplus for that accounting year were an amount which bears the same ratio to the gross profits of the said accounting year as the total bonus paid or payable in the base year bears to the gross profits of the base year:

Provided further that nothing contained in the preceding proviso shall entitle any employee to be paid bonus exceeding twenty per cent. of his salary or wage for the accounting year:

Provided also that if in any accounting year the allocable surplus computed under the first proviso exceeds the amount of maximum bonus payable to the employees in the establishment under the second proviso, then, the provisions of section 15 shall, so far as may be, apply to such excess.

Explanation I.—For the purpose of the first proviso to this sub-section, the total bonus in respect of any accounting year shall be deemed to be less than the total bonus paid or payable in the base year if the ratio of bonus payable in the accounting year to the gross profits of that year is less than the ratio of bonus paid or payable in the base year to the gross profits of that year.

Explanation. II.—In this sub-section,

(*a*) "base year" means—

(*i*) in a case where immediately before the 2nd September, 1964, any dispute of the nature specified in section 33 was pending before the appropriate Government or before any Tribunal or other authority referred to in that section, the accounting year immediately preceding the accounting year to which the dispute relates;

(*ii*) in any other case, the period of twelve months immediately preceding the accounting year in which this Ordinance becomes applicable to the establishment;

(*b*) "gross profits" in relation to the base year or, as the case may be, to the accounting year means gross profits as reduced by the direct taxes payable by the employer in respect of that year.

(2) Nothing contained in this Ordinance shall be construed to preclude employees employed in any establishment or class of establishments from entering into agreement with their employer for granting them an amount of bonus under a formula which is different from that under this Ordinance.

35. *Saving.*—Nothing contained in this Ordinance shall be deemed to affect the provisions of the Coal Mines Provident Fund and Bonus Schemes Act, 1948, (46 of 1948) or of any scheme made thereunder.

36. *Power of exemption.*—If the appropriate Government, having regard to the financial position and other relevant circumstances of any establishment or class of establishments, is of opinion that it will not be in public interest to apply all or any of the provisions of this Ordinance thereto, it may, by notification in the Official Gazette, exempt for such period as may be specified therein and subject to such conditions as it may think fit to impose, such establishment or class of establishments from all or any of the provisions of this Ordinance.

37. *Power to remove difficulties.*—If any difficulty or doubt arises in giving effect to the provisions of this Ordinance, the Central Government may, by order published in the Official

Gazette, make such provision, not inconsistent with the purposes of this Ordinance as appears to it to be necessary or expedient for the removal of the difficulty or doubt; and the order of the Central Government, in such cases, shall be final.

38. *Power to make rules.*—(1) The Central Government may make rules for the purposes of carrying into effect the provisions of this Ordinance.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) the authority for granting permission under the proviso to sub-clause (*iii*) of clause (1) of section 2;

(*b*) the preparation of registers, records and other documents and the form and manner in which such registers, records and documents may be maintained, under section 26;

(*c*) the powers which may be exercised by an Inspector under sub-section (2) of section 27;

(*d*) any other matter which is to be, or may be prescribed.

39. Application of certain laws not barred.—Save as otherwise expressly provided, the provisions of this Ordinance shall be in addition to and not in derogation of the Industrial Disputes Act, 1947 (14 of 1947), or any corresponding law relating to investigation and settlement of industrial disputes in force in a State.

THE FIRST SCHEDULE

[*See* section 4 (*a*)]

COMPUTATION OF GROSS PROFITS

Accounting Year ending..................................

Item No.	Particulars	Amount of sub-items	Amount of main items	Remarks
*1.	*Net Profit* as shown in the Profit and Loss Account after making usual and necessary provisions.	Rs.	Rs.	
2.	*Add back* provision for :			
	(*a*) Bonus.			
	(*b*) Depreciation.			
	(*c*) Development Rebate Reserve.			*See* foot-note (I)
	(*d*) Any other reserves.			*See* foot-note (I)
	Total of Item No. 2	Rs.		
3.	*Add back* also :			
	(*a*) Bonus paid in respect of previous accounting years.			*See* foot-note (I)
	(*b*) Donations in excess of the amount admissible for income-tax.			
	(*c*) Capital expenditure (other than capital expenditure on scientific research which is allowed as a deduction under any law for the time being in force relating to direct taxes) and capital losses (other than losses on sale of capital assets on			*See* foot-note (I)

---

*Where the profit subject to taxation is shown in the Profit and Loss Account and the provision made for taxes on income is shown, the actual provision for taxes on income shall be deducted from the profit.

Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
	which depreciation has been allowed for income-tax).			
	(*d*) Any amount certified by the Reserve Bank of India in terms of sub-section (2) of section 34A of the Banking Companies Act, 1949 (10 of 1949).			
	(*e*) Losses of, or expenditure relating to, any business situated outside India.			
	Total of Item No. 3	Rs.		
4.	*Add also* Income, profits or gains (if any) credited directly to published or disclosed reserves, *other than*—			
	(*i*) Capital receipts and capital profits (including profits on the sale of capital assets on which depreciation has not been allowed for income-tax);			
	(*ii*) profits of, and receipts relating to, any business situated outside India;			
	(*iii*) income of foreign banking companies from investments outside India.			
	Net total of Item No. 4	Rs.		
5.	Total of Item Nos. 1, 2, 3 and 4.		Rs.	

Item No.	Particulars	Amount of sub-items.	Amount of main items	Remarks
6.	*Deduct* :	Rs.	Rs.	
	(*a*) Capital receipts and capital profits (other than profits on the sale of assets on which depreciation has been allowed for income tax).			*See* foot-note (2)
	(*b*) Profits of, and receipts relating to, any business situated outside India.			*See* foot-note (2)
	(*c*) Income of foreign banking companies from investments outside India,			*See* foot-note (2)
	(*d*) Expenditure or losses (if any) debited directly to published or disclosed reserves, *other than*—			
	(*i*) capital expenditure and capital losses (other than losses on sale of capital assets on which depreciation has not been allowed for income-tax);			
	(*ii*) losses of any business situated outside India.			
	(*e*) In the case of foreign banking companies proportionate administrative (overhead) expenses of Head Office allocable to Indian business.			*See* foot-note (3)

Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
	(*f*) Refund of any excess direct tax paid for previous accounting years and excess provision, if any, of previous accounting years, relating to bonus depreciation, or development rebate, if written back.			*See* foot-note (2)
	(*g*) Subsidy, if any, received from Government or from any body corporate established by any law for the time being in force.			*See* foot-note (2)
	Total of Item No. 6	Rs.		
7.	Gross Profits for purposes of bonus (Item No. 5 minus Item No. 6).	Rs.		

Foot notes—

(1) If, and to the extent, charged to Profit and Loss Account.

(2) If, and to the extent credited to Profit and Loss Account.

(3) In the proporation of Indian Gross Profit (Item No. 7) to Total World Gross Profit (as per consolidated Profit and Loss Account adjusted as in Item No. 2 above only).

THE SECOND SCHEDULE

[*See* section 4 (b)]

COMPUTATION OF GROSS PROFITS

Accounting Year ending..............

Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
1.	*Net Profit* as per Profit and Loss Account.			
2.	*Add back* provision for:			
	(*a*) Bonus.			
	(*b*) Depreciation.			
	(*c*) Direct taxes, including the provision (if any) for previous accounting years.			
	(*d*) Development rebate/ Development allowance reserve.			*See* foot-Note (I)
	(*e*) Any other reserves.			*See* foot-Note (I)
	Total of Item No. 2	Rs.		
3.	*Add back* also:			
	(*a*) Bonus paid in respect of previous accounting years.			*See* foot-Note (I)
	(*b*) Donation in excess of the amount admissible for income-tax.			
	(*c*) Any annuity due, or commuted value of any annuity paid, under the provisions of section 280D of the Income-tax Act during the accounting year.			
	(*d*) Capital expenditure (other than capital expenditure on scientific research			*See* foot-note (1)

Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
	which is allowed as a deduction under any law for the time being in force relating to direct taxes) and capital losses (other than losses on sale of capital assets on which depreciation has been allowed for income-tax or agricultural income-tax).			
	(e) Losses of, or expenditure relating to any business situated outside India.			
	Total of Item No. 3	Rs.		
	Add also Income, profits or gains (if any) credited directly to reserves, *other than*— (*i*) capital receipts and capital profits (including profits on the sale of capital assets on which depreciation has not been allowed for income-tax or agricultural income-tax); (*ii*) profits of, and receipts relating to, any business situated outside India; (*iii*) income of foreign concerns from investments outside India.			
	Net total of Item No. 4	Rs.		
5.	Total of Item Nos. 1, 2, 3 and 4.		Rs.	

Itme No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
6.	*Deduct* :			
	(*a*) Capital receipts and capital profits (other than profits on the sale of assets on which depreciation has been allowed for incom-tax or agricultural income tax).			*See* foot-note (2)
	(*b*) Profits of, and receipts relating to, any business situated outside India.			*See* foot-note (2)
	(*c*) Income of foreign concerns from investments outside India.			*See* foot-note (2)
	(*d*) Expenditure or losses (if any) debited directly to reserves, *other than*—			
	(*i*) capital expenditure and capital losses (other than losses on sale of capital assets on which depreciation has not been allowed for income-tax or agricultural income tax);			
	(*ii*) losses of any business situated outside India.			
	(*e*) In the case of foreign concerns proportionate administrative (overhead) expenses of Head Office allocable to Indian business.			*See* foot-note (3)

Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs.	Rs.	
	(*f*) Refund of any direct tax paid for previous accounting years and excess provision, if any, of previous accounting years relating to bonus, depreciation, taxation or development rebate or development allowance, if written back.			*See* foot-note (2)
	(*g*) Subsidy, if any, received from Government or from any body corporate established by any law for the time being in force.			
	Total of Item No. 6 .	Rs.		
7.	Gross profits for purposes of bonus (Item No. 5 minus Item No. 6).		Rs.	

Foot-notes—

(1) If, and to the extent, charged to Profit and Loss Account.

(2) If, and to the extent, credited to Profit and Loss Account.

(3) In the proportion of Indian Gross Profit (Item No. 7) to Total World Gross Profit (as per consolidated Profit and Loss Account, adjusted as in Item No. 2 above only)

THE THIRD SCHEDULE

[*See* section 6 (*d*)]

Item No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)
1.	Company, other than a banking company.	(*i*) The dividends payable on its preference share capital for the accounting year calculated at the actual rate at which such dividends are payable ; (*ii*) 8. 5 per cent. of its paid up equity share capital as at the commencement of the accounting year ; (*iii*) 6 per cent. of its reserves shown in its balance-sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year : Provided that where the employer is a foreign company within the meaning of section 591 of the Companies Act, 1956 (1), of 1956 the total amount to be deducted under this Item shall be 8.5 per cent. on the aggregate of the value of the net fixed assets and the current assets of the company in India after deducting the amount of its current liabilities (other than any amount shown as payable by the company to its Head Office whether towards any advance made by the Head Office or otherwise or any interest paid by the company to its Head Office) in India.
2.	Banking company	(*i*) The dividends payable on its preference share capital for the accounting year calculated at the rate at which such dividends are payable ; (*ii*) 7. 5 per cent. of its paid up equity share capital as at the commencement of the accounting year ;

en No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)
		(*iii*) 5 per cent. of its reserves shown in its balance sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year ; (*iv*) any sum which, in respect of the accounting year, is transferred by it— (*a*) to a reserve fund under sub-section (I) of section 17 of the Banking Companies Act, 1949 (10 of 1949) : or (*b*) to any reserves in India in pursuance of any direction or advice given by the Reserve Bank of India, whichever is higher : Provided that where the banking company is a foreign company within the meaning of section 591 of the Companies Act, 1956, (I of 1956), the amount to be deducted under this item shall be the aggregate of— (*i*) the dividends payable to its preference shareholders for the accounting year at the rate at which such dividends are payable on such amount as bears the same proportion to its total preference share captital as its total working funds in India bear to its total world working funds ; (*ii*) 7.5 per cent. on such amount as bears the same proportion to its total paid up equity share captial as its total working funds in India bear to its total world working funds ; (*iii*) 5 per cent. on such amount as bears the same proportion to its total disclosed reserves as its total working funds in India bear to its total world working funds ;

Item No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)
		(*iv*) any sum which, in respect of the accounting year, is deposited by it with the Reserve Bank of India under sub-clause (*ii*) of clause (*b*) of sub-section (2) of section 11 of the Banking Companies Act, 1949, (10 of 1949) not exceeding the amount required under the aforesaid provision to be so deposited.
3.	Corporation	(*i*) 8.5 per cent. of its paid up captial as at the commencement of the accounting year ; (*ii*) 6 per cent. of its reserves, if any, shown in its balance sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year.
4.	Co-operative society	(*i*) 8·5 per cent of the capital invested by such society in its establishment as evidenced from its books of accounts at the commencement of the accounting year (*ii*) such sum as has been carried forward in respect of the accounting year to a reserve fund under any law relating to co-operative societies for the time being in force.
5.	Any other employer not falling under any of the aforesaid categories.	8·5 per cent. of the capital invested by him in his establishment as evidenced from his books of accounts at the commencement of the accounting year : Provided that where such employer is a person to whom Chapter XXIIA of the Income-tax Act applies, the annuity deposit payable by him under the provisions of that Chapter during the accounting year shall also be deducted : Provided further that where such employer is a firm, an amount equal to 25 per cent of the gross profits derived by it from the establishment

Item No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)
		in respect of the accouting year after deducting depreciation in accordance with the provisions of clause (*a*) of section 6 by way of remuneration to all the partners taking part in the conduct of business of the establishment shall also be deducted, but where the partnership agreement, whether oral or written, provides for the payment of remuneration to any such partner, and— (i) the total remuneration payable to all such partners is less than the said 25 per cent., the amount payable, subject to a maximum of forty-eight thousand rupees to each such partner; or (ii) the total remuneration payable to all such partners is higher than the said 25 per cent. such percentage, or a sum calculated at the rate of forty-eight thousand rupees to each such partner, whichever is less, shall be deducted under this proviso: Provided also that where such employer is an individual or a Hindu undivided family,— (i) an amount equal to 25 per cent. of the gross profits derived by such employer from the establishment in respect of the accounting year after deducting depreciation in accordance with the provisions of clause (*a*) of section 6; or (ii) forty-eight thousand rupees, whichever is less, by way of remuneration to such employer, shall also be deducted.

Item No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)
6.	Any employer falling within Item No. 1 or Item No. 3 or Item No. 4 or Item No. 5 being a licensee within the meaning of the Electricity Supply Act. 1948 (54 of 1948).	In addition to the sums deductible under any of the aforesaid items, such sums as are required to be appropriated by the licensee in respect of the accounting year to a reserve under the Sixth Schedule to that Act shall also be deducted.

Explanation.—The expression " reserves " occurring in column (2) against Item Nos. 1 (*iii*), 2 (*iii*) and 3 (*ii*) shall not include any amount set apart for the purpose of—

(i) payment of any direct tax which, according to the balance-sheet, would be payable ;

(ii) meeting any depreciation admissible in accordance with the provisions of clause (*a*) of section 6 ;

(iii) payment of dividends which have been declared, but shall include—

(*a*) any amount, over and above the amount referred to in clause (*i*) of this *Explanation*, set apart as specific reserve for the purpose of payment of any direct tax ; and

(*b*) any amount set apart for meeting any depreciation in excess of the amount admissible in accordance with the provisions of clause (*a*) of section 6.

THE FOURTH SCHEDULE

(*See* section 15)

In this Schedule, the total amount of bonus equal to four per cent. of the annual salary or wage payable to all the employees is assumed to be Rs. 50,000. Accordingly, the maximum bonus to which all the employees are entitled to be paid (twenty per cent. of the annual salary or wage of all the employees) would be Rs. 2,50,000.

Year.	Amount equal to sixty per cent or sixty seven per cent., as the case may be, of available surplus allocable as bonus.	Amount payable as bonus.	Set on or set off of the year carried forward.	Total set on or set off carried forward.	
(1)	(2)	(3)	(4)	(5)	
	Rs	Rs.	Rs.	Rs	of (year)
	70,000	70,000	Nil	Nil	
	6,35,000	2,50,000*	Set on 2,50,000*	Set on 2,50,000	
		2,50,000* (Inclusive of 30,000 from year-2)	Nil	Set on 2,20,000	
		2,50,000*	Set on 1,25,000	Set on 2,20,000 1,25,000	 (2) (4)
		2,50,000* (inclusive of 1,10,000 from year-2)		Set on 1,10,000 1,25,000	 (2) (4)
		2,50,000*	Set on 60,000	Set on Nil† 1,25,000 60,000	 (2) (4) (6)
	1,00,000	2,50,000* (inclusive of 1,25,000 from year-4 and 25,000 from year-6).		Set on 85,000	(6)
	Nil (due to loss)	50,000** (inclusive of 85,000 (from year-6)		Set off 15,000	(8)

	Amount equal to sixty per cent or sixtyseven per cent as the case may be of available surplus allocable as bonus.	Amount payable as bonus	Set on or setoff of the year carried forward	Total set on or set off carried forward
(1)	(2)	(3)	(4)	(5)
	Rs.	Rs.	Rs	Rs of (year).
	0,000	50,000**	Set off 40,000	Set off 15,000 (8) 40,000 (9)
	2,15,000	1,60,000 (after setting off 15,000 from year-8 and 40,000 from year-9		

Notes—

*Maximum.

The balance of Rs. 1,10,000 set on from year 2 lapses.

**Minimum

S. RADHAKRISHNAN,

President

R. C. S. SARKAR,

Secy to the Govt. of India.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section—1-B

CENTRAL ACTS AND ORDINANCES

NOTIFICATION

(LAW DEPARTMENT).

No LAW 52 LCA 65, Bangalore, dated 9th June 1965.

Ordered that the Finance Act, 1965 (Central Act 10 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 1, dated the 11th May 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

H. K. ANANTHASUBBA RAO,

Under Secy. to Govt., Law Dept.

(Assented to on 11th May 1965, Act No. 10 of 1965)

THE FINANCE ACT, 1965

An

ACT

to give effect to the financial proposals of the Central Government for the financial year 1965-66.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Finance Act, 1965.

(2) Save as otherwise provided in this Act, sections 3 to 67 and 69 to 74 shall be deemend to have come into force on the 1st day of April, 1965, and section 68 shall be deemed to have come into force on the 1st day of March, 1965.

2. *Income-tax*.—(1) Subject to the provisions of sub-sections (2), (3), (4) and (5), for the assessment year commencing on the 1st day of April, 1965, income-tax shall be charged at the rates specified in Part I of the First Schedule and, in the cases to which Paragraphs A, B, C and D of that Part apply, shall be increased by a surcharge for purposes of the Union calculated in either case in the manner provided therein.

(2) In making any assessment for the assessment year commencing on the 1st day of April, 1965, where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries", the income-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of income-tax and super-tax payable according to the rates applicable under the operation of the Finance Act, 1964 (5 of 1964), on his total income the same proportion as the amount of such inclusion bears to his total income.

(3) In making any assessment for the assessment year commencing on the 1st day of April, 1965, where the total income of a company, other than the life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1958), includes any profits and gains from life insurance business, the income-tax payble by it shall be the aggregate of the income-tax calculated—

(*i*) on the amount of profits and gains from life insurance business so included, at the rate applicable to the Life Insurance Corporation of India in accordance with Paragraph E of Part I of the First Schedule; and

(*ii*) on the remaining Part of its total income, at the rate applicable to the company on its total income.

(4) In cases to which Chapter XII of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Income-tax Act) applies, the tax chargeable shall be determined as provided in that Chapter, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter, as the case may be.

(5) (*a*) In respect of any assessment for the assessment year commencing on the 1st day of April, 1965—

(*i*) an assessee being an Indian company or any other Company which has made the prescribed arrangements for the declaration and payment of dividends within India or an assessee (other than a company) whose total income includes any profits and gains derived from the export of any goods or merchandise out of India, shall be entitled to a deduction, from the amount of income-tax with which he is chargeable of an amount equal to the income-tax calculated at one-tenth of the average rate of income-tax on the amount of such profits and gains included in the total income;

(*ii*) where an assessee of the type referred to in sub-clause (*i*) engaged in the manufacture of any articles in an industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951) has during the previous year exported such articles out of India, he shall be entitled, in addition to the deduction of income-tax referred to in sub-clause (*i*), to a further deduction from the amount of income-tax with which he is chargeable for the assessment year, of an amount equal to the income-tax calculated at the average rate of income-tax on an amount equal to two per cent of the sale proceeds receiveable by him in respect of such export;

(*iii*) where an assessee of the type referred to in sub-clause (*i*) engaged in the manufacture of any articles in an industry specified in the said First Schedule has, during the previous year, sold such articles to any other person in India who himself has exported them out of India and evidence is produced before the Income-tax Officer of such articles having been so exported, the assessee shall be entitled to a deduction, from the amount of income-tax with which he is chargeable for the assessment year, of an amount equal to the income-tax calculated at the average rate of income-tax on a sum equal to two per cent of the sale proceeds receiveable by him in respect of such articles from the exporter.

(*b*) The total of the deductions under this sub-section shall in no case exceed the amount of income-tax otherwise payable by the assessee.

(*c*) Nothing contained in sub-clause (*ii*) and sub-clause (*iii*) of clause (*a*) shall apply,—

(*i*) in relation to—

(*1*) fuels,

(*2*) fertilisers,

(*3*) photographic raw film and paper,

(*4*) textiles (including those dyed, printed or otherwise processed) made wholly or in part of jute, including jute ,twine and rope,

5) newsprint,

(*6*) pulp—wood pulp, mechanical, chemical, including dissolving pulp,

(*7*) sugar,

(*8*) vegetable oils and vanaspathi,

(*9*) cement and gypsum products,

(*10*) arms and ammunition, and

(*11*) cigarettes,

respectively specified in items 2, 18, 20, 23(2), 24(2), 24(5), 25, 28, 35, 37 and 38 of the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951 ;) or

(*ii*) in relation to textiles specified in items 23 (1 , 23 (3), 23 (4) and 23 (5) of that Schedule where such textiles have been exportd before the 1st day of March, 1964

(*d*) The amount of any profits and gains derived from the export of any goods or merchandise out of India in respect of which deductions of income-tax is admissible under sub-clause (*i*) of clause (*a*) shall be computed in accordance with the rules made by the Central Board of Direct Taxes in this behalf.

(6) In cases in which tax has to be deducted under sections 193 to 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part II of the First Schedule.

(7) For the purposes of this section, and of the rates of income-tax imposed thereby, and of section 3—

(*i*) the expressions "assessment year" "average rate of income-tax", "non-resident" "partner", and "total income" have, unless the context otherwise requires, the meanings respectively assigned to them under clauses (9), (10), (30), (23) and (45) of section 2 of the Income-tax Act;

(*ii*) the expression "earned income" means any income of an assessee who is an individual, Hindu undivided family, unregistered firm or other association of persons or body of individuals, whether incorporated or not, not being a company, a local authority, a registered firm or a firm assessed under clause (*b*) of section 183 of the said Act—

(*a*) which is chargeable under the head "Salaries"; or

(*b*) which is chargeable under the head "Profits and gains of business or profession" where the business or profession is carried on by the assessee or, in the case of a firm, where the assessee is a partner actively engaged in the conduct of the business or profession ; or

(*c*) which is chargeable under the head "Income from other sources" if it is immediately derived from personal exertion or represents a pension or superannuation or other allowance given to the assessee in respect of the past services of any deceased person, or which is chargeable under that head under clause (*ia*) of sub-section (2) of section 56 of the Income-tax Act ; and

includes any such income which, though it is the income of another person, is included in the assessee's income under the provisions of the Income-tax Act, but does not include any such income on which income-tax is not payable under clause (*iii*) or clause (*v*) of section 86 of that Act or which is exempted from tax under a notification issued under section 60 of the Indian Income-tax Act, 1922 (11 of 1922) as continued in force by clause (*l*) of sub-section (2) of section 297 of the Income-tax Act ;

(*iii*) the expression "unearned income" means income which is not "earned income"

3. *Annuity deposit.* (1) Save as otherwise provided in Chapter XXIIA of the Income-tax Act, annuity deposit for the assessment year commencing on the 1st day of April, 1965 shall be made by every person to whom the provisions of that Chapter apply at the rates specified in the Second Schedule.

(2) For the purposes of this section and the Second Schedule, the expressions "adjusted total income" "annuity deposit" and "depositor" have the meanings respectively assigned to them under clauses (1), (5) and (6) of section 280Bof the Income-tax Act.

4. *Amendment of section 2.*—In section 2 of the Income-tax Act,—

(*i*) in clause (7), for the words "income-tax or super-tax" the words "any tax" shall be substituted;

(*ii*) clause (11) shall be omitted;

(*iii*) in clause (18),—

(*i*) in sub-clause (*b*) (*i*), for the words and brackets "held by, the Government or a corporation established by a Central, State or Provincial Act or the public (not being a director, or a company to which this clause does not apply)" the following shall be substituted, namely:—

"held by—

(*a*) the Government, or

(*b*) a corporation established by a Central, State or Provincial Act, or

(*c*) any company to which this clause applies or any subsidiary company of such company where such subsidiary company fulfils the conditions laid down in clause (*b*) of section 108 (hereinafter in this clause referred to as the subsidiary company), or

(*d*) the public (not being a director, or a company to which this clause does not apply)";

(*ii*) in clause (*i*) of *Explanation* 1, after the word "applies", the words "or the subsidiary company of such company" shall be inserted;

(*iv*) in clause (22), after sub-clause (*i*), the following sub-clause shall be inserted, namely:—

"(*ia*) a distribution made in accordance with sub-clause (*c*) or sub-clause (*d*) in so far as such distribution is attributable to the capitalised profits of the company representing bonus shares allotted to its equity shareholders after the 31st day of March, 1964;";

(*v*) in clause (30), the figures, "113" shall be omitted;

(*v* for clause (43), the following clauses shall be substituted, namely:—

'(43) "tax" in relation to the assessment year commencing on the 1st day of April, 1965, and any subsequent assessment year means income-tax (*ii*) the expression "earned income" means any income of an assessee who is an individual, Hindu undivided family, unregistered firm or other association of persons or body of individuals, whether incorporated or not, not being a company, a local authority, a registered firm or a firm assessed under clause (*b*) of section 183 of the said Act—

(*a*) which is chargeable under the head "Salaries"; or

(*b*) which is chargeable under the head "Profits and gains of business or profession" where the business or profession is carried on by the assessee or, in the case of a firm, where the assessee is a partner actively engaged in the conduct of the business or profession; or

(*c*) which is chargeable under the head "Income from other sources" if it is immediately derived from personal exertion or represents a pension or superannuation or other allowance given to the assessee in respect of the past services of any deceased person, or which is chargeable under that head under clause (*ia*) of sub-section (2) of section 56 of the Income-tax Act; and

includes any such income which, though it is the income of another person, is included in the assessee's income under the provisions of the Income-tax Act, but does not include any such income on which income-tax is not payable under clause (*iii*) or clause (*v*) of section 86 of that Act or which is exempted from tax under a notification issued under section 60 of the Indian Income-tax Act, 1922 (11 of 1922) as continued in force by clause (*l*) of sub-section (2) of section 297 of the Income-tax Act;

(*iii*) the expression "unearned income" means income which is not "earned income".

3. *Annuity deposit.* (1) Save as otherwise provided in Chapter XXIIA of the Income-tax Act, annuity deposit for the assessment year commencing on the 1st day of April, 1965 shall be made by every person to whom the provisions of that Chapter apply at the rates specified in the Second Schedule.

(2) For the purposes of this section and the Second Schedule, the expressions "adjusted total income", "annuity deposit" and "depositor" have the meanings respectively assigned to them under clauses (1), (5) and (6) of section 280Bof the Income-tax Act.

chargeable under the provisions of this Act, and in relation to any other assessment year income-tax and super-tax chargeable under the provisions of this Act prior to the aforesaid date ;

(43A) "tax credit certificate" means a tax credit certificate granted to any person in accordance with the provisions of Chapter XXIIB and any scheme made thereunder ;';

(*vii*) clause (46) shall be omitted.

5. *Amendment of section 8.*—In section 8 of the Income-tax Act,—

(*i*) for the words "For the purposes of inclusion in the total income of an assessee, any dividend", the words, brackets and letter "For the purposes of inclusion in the total income of an assessee,—

(*a*) any dividend" shall be substituted ;

(*ii*) the following clause shall be inserted at the end, namely :—

"(*b*) any interim dividend shall be deemed to be the income of the previous year in which the amount of such dividend is unconditionally made available by the company to the members who is entitled to it."

6. *Amendment of section 10.*—In section 10 of the Income-tax Act,—

(*i*) after clause (4), the following clause shall be inserted, namely :—

"(4A) in the case of a non-resident, any income from interest on moneys standing to his credit in a non-resident account in any bank in India in accordance with the Foreign Exchange Regulation Act, 1947 (7 of 1947), and any rules made thereunder;";

(*ii*) in sub-clause (*vii*) (*a*) of clause (6),—

(*a*) after the words "such person continues", the words, figure and letters "with the approval of the Central Government obtained before the 1st day of October of the relevant assessment year" shall be inserted ;

(*b*) for the words "twenty-four months", the words "sixty months" shall be substituted ;

(*iii*) for clause (13), the following clause shall be substituted and shall be deemed always to have been substituted namely :—

"(13) any payment from an approved superannuation fund made—

(*i*) on the death of a beneficiary ; or

(*ii*) to an employee in lieu of or in commutation of an annuity on his retirement at or after a specified age or on his becoming incapacitated prior to such retirement ; or

(*iii*) by way of refund of contributions on the death of a beneficiary ; or

(*iv*) by way of refund of contributions to an employee on his leaving the service in connection with which the fund is established otherwise than by retirement at or after a specified age or on his becoming incapacitated prior to such retirement, to the extent to which such payment does not exceed the contributions made prior to the commencement of this Act and any interest thereon ;";

(*iv*) after clause (27), the following clause shall be inserted, namely :—

"(28) in the case of any person granted a tax credit certificate, any amount adjusted or paid to him in respect of such certificate under the provisions of Chapter XXIIB and any scheme made thereunder."

7. *Amendment of section 18.*—In section 18 of the Income-tax Act, in clause (*i*) of sub-section (1), after the word "Government" the words, figures and letters "not being interest payable under section 280D in respect of any annuity deposit made under Chapter XXIIA" shall be inserted.

8. *Amendment of section 33.*—In section 33 of the Income-tax Act,—

(*i*) in sub-section (1), for clause (*iii*), the following clause shall be substituted, namely :—

"(*iii*) in the case of machinery or plant installed after the 31st day of March, 1961—

(*a*) where the machinery or plant is installed after the 31st day of March, 1963 and before the 1st day of

April, 1966 for the purposes of business of mining coal, thirty-five per cent of the actual cost of the machinery or plant to the assessee.

(*b*) where the machinery or plant is installed before the 1st day of April, 1965 for the purposes of any other business, twenty per cent,

(*c*) where the machinery or plant is installed after the 31st day March, 1965—

(*A*) for the purposes of business of construction, manufacture or production of any one or more of the articles or things specified in the list in the Fifth Schedule, twenty-five per cent of the actual cost of the machinery or plant to the assessee, and

(*B*) for the purposes of any other business,—

(*a*) twenty per cent of the actual cost of the machinery or plant to the assessee, where it is installed before the 1st day of April, 1967 ; and

(*b*) fifteen per cent of such cost, in any other case," ;

(*ii*) in sub-section (*2*), for the words, brackets, figures and letter "any allowance under sub-section (*1*) or sub-section (*1A*)" wherever they occur, the words, brackets, figures and letters "any allowance under sub-section (*1*) or sub-section (*1A*) of this section or sub-section (*1*) of section *33A*" shall be substituted ;

(*iii*) after sub-section (*5*), the following sub-section shall be inserted, namely :—

"(*6*) Notwithstanding anything contained in the foregoing provisions of this section, no deduction by way of development rebate shall be allowed in respect of any machinery or plant installed after the 31st day of March, 1965 in any office premises or any residential accommodation, including any accommodation in the nature of a guest-house"

9. *Insertion of new section 33A.*—After section 33 of the Income-tax Act. the following section shall be inserted, namely :—

'33A. *Delevopment allowance.*—(1) In respect of planting of tea bushes on any landin India owned by an assessee who carries on business of growing and manufacturing tea in India, a sum by way of development allowance equivalent to—

(*i*) where tea bushes have been planted on any land not planted at any time with tea bushes or on any land which had been previously abandoned, forty per cent of the actual cost of planting; and

(*ii*) where tea bushes are planted in replacement of tea bushes that have died or have become permanently useless on any land already planted, twenty per cent. of the actual cost of planting,

shall, subject to the provisions of this section, be allowed as a deduction in respect of the third succeeding previous year next following the previous year in which the land is prepared for planting or replanting, as the case may be:

Provided that no deduction under clause (*i*) shall be allowed unless the planting has commenced after the 31st day of March 1965, and no deduction shall be allowed under clause (*ii*) unless the planting has commenced after the 31st day of March, 1965 and been completed before the 1st day of April, 1970.

(*2*) Where the total income of the assessee assessable for the assessment year relevant to the third succeeding previous year next following the previous year in which the land has been prepared [the total income for this purpose being computed after making the allowance under sub-section (*1*) or sub-section (*1A*) or clause (*ii*) of sub-section (*2*) of section 33 but without making any allowance under sub-section (*1*) of this section] is *nil* or is less than the full amount of the development allowance calculated at the rates specified in sub-section (1)—

(*i*) the sum to be allowed by way of development allowance for that assessment year under sub-section (1) shall be only such amount as is sufficient to reduce the said total income to *nil*; and

(*ii*) the amount of the development allowance, to the extent to which it has not been allowed as aforesaid, shall be carried forward to the following assessment year, and the development allowance to be allowed for the following assessment year shall be such amount as is sufficient to reduce the total income of the assessee assessable for that assessment year, computed in the manner aforesaid, to *nil*, and the balance of the development allowance, if any, still outstanding shall be carried forward to the following assessment year and so on, so however, that no portion of the development allowance shall be carried forward for more than eight assessment years immediately succeeding the assessment year in which the deduction was first allowable.

Explanation.—Where for any assessment year development allowance is to be allowed in accordance with the provisions of sub-section (*2*) in respect of more than one previous year, and the total income of the assessee assessable for that assessment year [the total income for this purpose being computed after making the allowance under sub-section (*1*) or sub-section (*1A*) or clause (*ii*) of sub-section (*2*) of section 33 but without making any allowance under sub-section (*1*) of this section] is less than the amount of the development allowance due to be made in respect of that assessment year, the following procedure shall be followed, namely:—

(*i*) the allowance under clause (*ii*) of sub-section (*2*) of this section shall be made before any allowance under clause (*i*) of that sub-section is made; and

(*ii*) where an allowance has to be made under clause (*ii*) of sub-section (*2*) of this section in respect of amounts carried forward from more than one assessment year, the amount carried forward from an earlier assessment year shall be allowed before any amount carried forward from a later assessment year.

(*3*) The deduction under sub-section (*1*) shall be allowed only if the following conditions are fulfilled, namely:—

(*i*) the particulars prescribed in this behalf have been furnished by the assessee,

(*ii*) an amount equal to seventy-five per cent of the development allowance to be actually allowed is debited to the profit and loss account of the relevant previous year and credited to a reserve account to be utilised by the assessee during a period of eight years next following for the purposes of the business of the undertaking, other than—

(*a*) for distribution by way of dividends or profits; or

(*b*) for remittance outside India as profits or for the creation of any asset outside India; and

(*iii*) such other conditions as may be prescribed.

(*4*) If any such land is sold or otherwise transferred by the assessee to any person at any time before the expiry of eight years from the end of the previous year in which the deduction under sub-section (*1*) was allowed, any allowance under this section shall be deemed to have been wrongly made for the purposes of this Act, and the provisions of sub-section (*5A*) of section 155 shall apply accordingly:

Provided that this sub-section shall not apply—

(*i*) where the land is sold or otherwise transferred by the assessee to the Government, a local authority, a corporation established by a Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956); or

(*ii*) where the sale or transfer of the land is made in connection with the amalgamation or succession referred to in sub-section (*5*) or sub-section (*6*).

(*5*) Where in a scheme of amalgamation, a company (hereinafter in this sub-section referred to as the predecessor) sells or otherwise transfers to the company formed in pursuance of the predecessor's amalgamation with that company (hereinafter in this sub-section referred to as the successor) any land in respect of which development allowance has been allowed to the predecessor under sub-section (*1*),—

(*a*) the successor shall continue to fulfil the conditions mentioned in sub-section (*3*) in respect of the reserve created by the predecessor and in respect of the period within which such land shall not be sold or otherwise transferred and in default of any of these conditions, the provisions of sub-section (*5A*) of section 155 shall apply to the successor as they would have applied to the predecessor had it committed the default;

(*b*) the balance of development allowance, if any, still outstanding to the predecessor in respect of such land shall be allowed to the successor in accordance with the provisions of sub-section (2), so however, that the total period for which the balance of development allowance shall be carried forward in the assessments of the predecessor and the successor shall not exceed the period of eight years specified in sub-section (2) and the successor shall be treated as the assessee in respect of such land for the purposes of this section.

Explanation.—For the purposes of this sub-section, "amalgamation" shall have the meaning assigned to it in the *Explanation* to sub-section (*3*) of section 33.

(6) Where a firm is succeeded to by a company in the business carried on by it as a result of which the firm sells or otherwise transfers to the company any land on which development allowance has been allowed, the provisions of clauses (*a*) and (*b*) of sub-section (5) shall, so far as may be, apply to the firm and the company.

Explanation.—The provisions of this sub-section shall apply if the conditions laid down in the *Explanation* to sub-section (4) of section 33 are fufilled.

(7) For the purposes of this section, "actual cost of planting" means the aggregate of—

(*i*) the cost of preparing the land ;

(*ii*) the cost of seeds, cutting and nurseries ;

(*iii*) the cost of planting and replanting ; and

(*iv*) the cost of up-keep thereof for the previous year in which the land has been prepared and the three successive previous years next following such previous year,

reduced by that portion of the cost, if any, as has been met directly or indirectly by any other person or authority :

Provided that where such cost exceeds twelve thousand five hundred rupees per hectare in respect of land situate in a hilly area or exceeds ten thousand rupees per hectare in any other area, then the excess shall be ignored.

(8) The Board may, having regard to the elevation and topography, by general or special order, declare any areas to be hilly areas for the purposes of this section and such order shall not be questioned before any court of law or any other authority.'.

10. *Amendment of section 34.*—In section 34 of the Income-tax Act, in the *Eaplanation* to clause (*i*) of sub-section (2), for the words, brackets and figures "is transferred by a company to a subsidiary company, then, if the conditions of clause (*iv*) of section 47 are satisfied", the following shall be substituted, namely :—

> "is transferred by a holding company to its subsidiary company or by a subsidiary company to its holding company, then, if the conditions of clause (*iv*) or, as the case may be, of clause (*v*) of section 47 are satisfied".

11. *Amendment of section 36.*—In section 36 fo the Income-tax Act, in sub-section (1), after clause (*viii*), the following clause shall be inserted, namely:—

"(*ix*) any expenditure *bona fide* incurred by a company for the purpose of promoting family planning amongst its employees:

Provided that where such expenditure or any part thereof is of a capital nature, one fifth of such expenditure shall be deducted for the previous year in which it was incurred; and the balance thereof shall be deducted in equal instalments for each of the four immediately succeeding previous years:

Provided further that the provisions of sub-section (2) of section 32 and of sub-section (*2*) of section 72 shall apply in relation to deductions allowable under this clause as they apply in relation to deducitons allowable in respect of depreciation:

Provided further that the provisions of clauses (*ii*), (*iii*), (*iv*) and (*v*) of sub-section (2) of section 35, of sub-section (3) of section 41 and of *Explanation 1* to clause (1) of section 43 shall, so far as may be, apply in relation to an asset representing expenditure of a capital nature for the purposes of promoting family planning as they apply in relation to an asset representing expenditure of a capital nature on scientific research"

12. *Amendment of section 37.*—In section 37 of the Income-tax Act, in clause (i) of sub-section (2), after the word and figures "section 33", the words, figures and letter "or section 33A" shall be inserted.

13. *Amendment of section 40.*—In section 40 of the Income-tax Act, in sub-clause (*iii*) of clause (*c*),—

(*a*) in the proviso—

(*i*) after the words, brackets and figure "in sub-clause (*i*)", the words, brackets and figures "or any payment of tax referred to in sub-clause (*vii*)" shall be inserted;

(*ii*) after the words, brackets and figures "clause (*iv*) or clause (*v*)" the words, brackets and figures "or any expenditure referred to in clause (*ix*)" shall be inserted;

(*b*) after the proviso, the following proviso shall be inserted, namely :—

> ‘Provided further that nothing in this sub-clause shall apply to any expenditure which results directly or indirectly in the provision of any benefit or amenity or perquisite to an employee whose income chargeable under the head "Salaries" is seven thousand five hundred rupees or less.’.

14. *Amendment of section 43.*—In section 43 of the Income-tax Act,—

(*a*) For *Explanation 6* to clause (*1*), the following *Explanation* shall be substituted, namely :—

> "*Explanation 6.*—When any capital asset is transferred by a holding company to its subsidiary company or by a subsidiary company to its holding company, then, if the conditions of clause (*iv*) or, as the case may be, of clause (*v*) of section 47 are satisfied, the actual cost of the transferred capital asset to the transferee company shall be taken to be the same as it would have been if the transferor company had continued to hold the capital asset for the purposes of its business.";

(*b*) for *Explanation* 2 to clause (6), the following *Explanation* shall be substituted, namely :—

> "*Explanation 2.*—When any capital asset is transferred by a holding company to its subsidiary company or by a subsidiary company to its holding company, then, if the conditions of clause (*iv*) or, as the case may be, of clause (*v*) of section 47 are satisfied, the written down value of the transferred capital asset to the transferee company shall be taken to be the same as it would have been if the transferor company had continued to hold the capital asset for the purposes of its business.".

15. *Amendment of section 47.*—In section 47 of the Income-tax Act, after clause (*iv*), the following clause shall be inserted, namely :—

"(*v*) any transfer of a capital asset by a subsidiary company to the holding company if—

(*a*) the whole of the share capital of the subsidiary company is held by the holding company, and (*b*) the holding company is an Indian company."

16. *Amendment of section 49.*—In section 49 of the Income-tax Act,—

(*i*) in sub-clause (*e*) of clause (*iii*), after the word, brackets and figures "clause (*iv*)", the words, brackets and figure "or clause (*v*)" shall be inserted;

(*ii*) at the end, the following *Explanation* shall be added, namely:—

> '*Explanation.*—In this section the expression "previous owner of the property" in relation to any capital asset owned by an assessee means the last previous owner of the capital asset who acquired it by a mode of acquisition other than that referred to in clause (*i*) or clause (*ii*) or clause (*iii*) of this section.'.

17. *Insertion of new section 54A.*—After section 54 of the Income-tax Act, the following section shall be inserted, namely:—

'54A. *Relief of tax on capital gains in certain cases.*—(*1*) Where in the case of an assessee, being an individual who is not a citizen of India or being a company which is not an Indian company, a capital gain arises from the transfer of a capital asset, being shares in an Indian company, and the assessee has, within a period of two years from the date of such transfer, re-invested the full value of the consideration or any part thereof received or accruing as a result of such transfer in an investment approved by the Central Government in this behalf (hereinafter in this section referred to as the approved investment), the assessee shall, subject to the provisions of sub-section (*3*), be entitled to a credit of a sum calculated in accordance with the provisions of sub-section (*2*).

(*2*) The amount to be given as credit under sub-section (*1*) shall be a sum which bears to the amount of income-tax payable by the assessee on the income chargeable under the head "Capital gains" arising from the transfer referred to in sub-section (*1*) the same proportion as the amount invested in the approved investment as reduced by the cost of acquisition [as ascertained for the purposes of clause (*ii*) of section 48] of the transferred shares bears to the capital gains arising from such transfer.

(*3*) The amount of credit so calculated shall be given in the following manner, namely:—

(*a*) if the approved investment is made by the assessee within the period of two years aforesaid and before the completion of the assessment in respect of the year in which the income arising from such transfer is chargeable to tax, the amount of the credit shall, on the assessee making a claim in this behalf in the prescribed form and in the prescribed manner, be adjusted against the tax payable by the assessee in respect of that assessment year, and

(*b*) if the approved investment is made by the assessee within the period of two years aforesaid but after the assessment for the relevant year is made, the amount of the credit shall, on the assessee making a claim in the prescribed form and in the prescribed manner, be deemed to be refund due to the assessee under Chapter XIX and all the provisions of this Act shall apply accordingly.'.

18. *Amendment of section 56.*—In section 56 of the Income-tax Act, in sub-section (*2*), after clause (*i*), the following clause shall be inserted, namely :—

"(*ia*) income referred to in sub-clause (*viii*) of clause (*24*) of section *2*;".

19. *Insertion of new section 69B.*—After section 69A of the Income-tax Act, the following section shall be inserted under the sub-heading "*Aggregation of Income*", namely :—

"69B. *Amount of investments, etc., not fully disclosed in books of account.*—Where in any financial year the assessee has made investments or is found to be the owner of any bullion, jewellery or other valuable article, and the Income-tax Officer finds that the amount expended on making such investments or in acquiring such bullion, jewellery or other valuable article exceeds the amount recorded in this behalf in the books of account maintained by the assessee for any source of income, and the assessee offers no explanation about such excess amount or the explanation offered by him is not, in the opinion of the Income-tax Officer, satisfactory, the excess amount may be deemed to be the income of assessee for such financial year.".

the completion of the assessment in respect of the year in which the income arising from such transfer is chargeable to tax, the amount of the credit shall, on the assessee making a claim in this behalf in the prescribed form and in the prescribed manner, be adjusted against the tax payable by the assessee in respect of that assessment year, and

(*b*) if the approved investment is made by the assessee within the period of two years aforesaid but after the assessment for the relevant year is made, the amount of the credit shall, on the assessee making a claim in the prescribed form and in the prescribed manner, be deemed to be refund due to the assessee under Chapter XIX and all the provisions of this Act shall apply accordingly.'.

18. *Amendment of section 56.*—In section 56 of the Income-tax Act, in sub-section (*2*), after clause (*i*), the following clause shall be inserted, namely :—

"(*ia*) income referred to in sub-clause (*viii*) of clause (*24*) of section *2*;".

19. *Insertion of new section 69B.*—After section 69A of the Income-tax Act, the following section shall be inserted under the sub-heading "*Aggregation of Income*", namely :—

"69B. *Amount of investments, etc., not fully disclosed in books of account.*—Where in any financial year the assessee has made investments or is found to be the owner of any bullion, jewellery or other valuable article, and the Income-tax Officer finds that the amount expended on making such investments or in acquiring such bullion, jewellery or other valuable article exceeds the amount recorded in this behalf in the books of account maintained by the assessee for any source of income, and the assessee offers no explanation about such excess amount or the explanation offered by him is not, in the opinion of the Income-tax Officer, satisfactory, the excess amount may be deemed to be the income of assessee for such financial year.".

20. *Insertion of new Chapter VIA.*—After section 80 of the Income-tax Act, the following Chapter and sections shall be inserted, namely :—

'CHAPTER VIA

DEDUCTIONS TO BE MADE IN COMPUTING TOTAL INCOME

80A. *Deduction in respect of life insurance premia, annuities and contributions to provident fund, etc.*—(*1*) In computing the total income of an assessee there shall be deducted in accordance with and subject to the provisions of this section, an amount equal to sixty per cent of the first five thousand rupees of the aggregate of the sums specified in sub-section (*2*) and fifty per cent of the balance, if any, of such aggregate.

(*2*) The sums referred to in sub-section (*1*) shall be the following, namely :—

(*a*) where the assessee is an individual, any sums paid in the previous year by the assessee out of his income chargeable to tax—

(*i*) to effect or to keep in force an insurance on the life of the assessee or on the life of the wife or husband of the assessee ; or

(*ii*) to effect or to keep in force a contract for a deferred annuity on the life of the assessee or on the life of the wife or husband of the assessee ; or

(*iii*) as a contribution to any provident fund to which the Provident Funds Act, 1925 (19 of 1925) applies ;

(*b*) where the assessee is a Hindu undivided family, any sums paid in the previous year by the assessee out of its income chargeable to tax, to effect or to keep in force an insurance on the life of any male member of the family or of the wife of any such member ;

(*c*) any sum deducted in the previous year from the salary payable by or on behalf of the Government to any individual, being a sum deducted in accordance with the conditions of his service, for the purpose of securing to him a deferred annuity or making provision for his wife or children, in so far as the sum so deducted does not exceed one-fifth of the salary ;

(*d*) if the assessee is an employee participating in a recognized provident fund, his own contributions to his individual account in the fund in the previous year, in so far as the aggregate of such contributions does not exceed one-fifth of his salary in that previous year or eight thousand rupees, whichever is less.

Explanation.—In clause (*d*) of this sub-section and in clause (*d*) of sub section (*1*) of section 87, "salary" shall have the meaning assigned to it in clause (*h*) of rule 2 of Part A of the Fourth Schedule;

(*e*) if the assessee is an employee participating in an approved superannuation fund, any sum paid in the previous year by him by way of contribution towards the superannuation fund;

(*f*) where the assessee is an individual, any sums deposited, in the previous year by the assessee out of his income chargeable to tax, in a ten-year account or a fifteen-year account under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959, as amended from time to time.

(3) The provisions of clauses (*a*) and (*b*) of sub-section (2) shall apply only to so much of any premium or other payment made on a policy other than a contract for a deferred annuity as is not in excess of ten per cent. of the actual capital sum assured.

Explanation.—In calculating any such capital sum, no account shall be taken—

(*i*) of the value of any premiums agreed to be returned, or

(*ii*) of any benefit by way of bonus or otherwise over and above the sum actually assured, which is to be or may be received under the policy by any person.

(4) The aggregate of the sums referred to in sub-section (2), which qualifies for the purposes of computing the deduction referred to in sub-section (1), shall not exceed—

(*i*) in the case of an individual being an author, playwright, artist, musician or actor, such percentage of his total income, as computed before making any deduction under this Chapter and before deduction of any amount of annuity deposit under section 280O, or such amount, as may be prescribed:

Provided that such individual has effected an insurance referred to in sub-clause (*i*) of clause (*a*) of sub-section

(2) prior to the 1st day of March, 1964 and has paid any sum in the previous year to keep in force such insurance;

(*ii*) in the case of any other individual [including an author, playwright, artist, musician or actor to whom the provisions of clause (*i*) do not apply], twenty-five per cent of the total income, as computed before making any deduction under this Chapter and before deduction of any amount of annuity deposit under section 280O, or twelve thousand five hundred rupees, whichever is less;

(*iii*) in the case of a Hindu undivided family, twenty-five per cent of its total income, as computed before making any deduction under this Chapter and before deduction of any amount of annuity deposit under section 280O, or twenty-five thousand rupees whichever is less.

(5) If the total income of the assessee includes any income chargeable under the head "Salaries', the deduction under sub-section (1) shall be made in computing the income under that head, and if there is no income chargeable under that head, or if the amount required to be deducted exceeds such income, the whole or the balance of the amount required to be deducted shall be allowed as a deduction in computing earned income chargeable under any other head, and, if there is no earned income chargeable under any other head or the whole or the balance of the amount required to be deducted exceeds such earned income, the whole or the balance of the amount required to be deducted shall be allowed as a deduction in computing any other income under any head.

(6) This section shall apply in respect of—

(*i*) the assessment year commencing on the 1st day of April, 1966 and any subsequent assessment year, in the case of an assessee whose total income includes any income chargeable under the head "Salaries" from which tax is deducted, or deductible, at source in accordance with the provisions of section 192; and

(*ii*) the assessment year commencing on the 1st day of April, 1965 and any subsequent assessment year, in the case of any other assessee.

80B. *Deduction in respect of medical treatment, etc., of handicapped persons.*—(*1*) Where an assessee who is resident in

India, being an individual or Hindu undivided family, who has, during the previous year, incurred out of his or its income chargeable to income-tax, any expenditure for the medical treatment (including nursing) of a person who—

(a) is a relative of the individual, or, as the case may be, is a member of the Hindu undivided family and is not dependent on any person other than such individual or Hindu undivided family for his support or maintenance, and

(b) is suffering from a physical or mental disability which is certified by a registered medical practitioner to have the effect of reducing considerably such person's capacity for normal work or engaging in a gainful employment (hereinafter in this section referred to as handicapped dependant),

the assessee shall, subject to the provisions of this section, be allowed a deduction of the amount specified in sub-section (2) in the computation of his total income in respect of the previous year

(2) The deduction under sub-section (1) shall be—

(i) in a case where the handicapped dependant has, for a period of one hundred and eighty-two days or more during the previous year, been admitted in a hospital or a nursing home or a medical institution or in such other institution as may be notified by the Central Government in the Official Gazette to be an institution for the care of handicapped persons, and fees and charges for his medical treatment (including nursing) are payable to such hospital or nursing home or medical or other institution, as the case may be, a sum of two thousand four hundred rupees, or

(ii) in any other case, a sum of six hundred rupees, as reduced, in either case, by an amount equal to the income, if any, of the handicapped dependant in respect of the previous year:

Provided that where the assessee has, during the previous year, incurred expenditure on more than one handicapped dependant, the deduction under sub-section (1) shall be allowed only with reference to one such handicapped dependant as may be chosen by the assessee.

(3) If the total income of the assessee includes any earned income, the allowance referred to in sub-section (1) shall be made

in computing the earned income chargeable under any head, and if there is no such income or the amount of the allowance exceeds such income, the whole or the balance of such amount, as the case may be, shall be allowed as a deduction in computing the assessee's unearned income chargeable under any head.

80C. *Relief relating to payment for securing retirement annuities.*—(1) Where in the case of an assessee, being an individual who is a citizen of India and is resident in India, his share in the income of a registered firm which renders professional service as chartered accountant, solicitor, lawyer, architect, or such other professional service as may be notified in this behalf by the Central Government in the Official Gazette is chargeable to tax and he has paid out of his income chargeable to tax a premium (by whatever name called) in any previous year under an annuity contract for the time being approved by the Commissioner as having for its main object the provision for the individual of a life annuity in old age (hereinafter in this section referred to as qualifying premium), then the assessee shall, subject to the provisions of this section, be allowed a deduction of the amount of the qualifying premium in the computation of his total income in respect of the previous year:

Provided that the amount which may be so deducted shall not exceed the sum of five thousand rupees or one-tenth of his total income for that year, whichever is less:

Provided further that any annuity payable to the individual shall be deemed to be his earned income to the extent to which it is attributable to the amount in respect of which deduction has been allowed under this section and chargeable to tax accordingly.

Explanation.—For the purposes of the first proviso, "total income" means the total income computed in accordance with the provisions of this Act, before making any deduction under this Chapter and before deduction of any amount of annuity deposit under section 280O but excluding any income which would otherwise be included in his total income under the provisions of section 64.

(2) Subject to sub-section (3) and any rules made by the Board in this behalf, the Commissioner shall not approve a contract unless he is satisfied that it does not—

(a) provide for the payment during the life of the individual of any sum except sums payable by way of annuity to the individual; or (*b*) provide for the annuity payable to the individual to commence before he attains the age of fifty-eight or after he attains the age of sixty-eight; or

(*c*) provide for the payment of any other sums except sums payable by way of annuity to the individual's widow or widower and any sums which in the event of no annuity becoming payable either to the individual or to a widow or widower of the individual, are payable to the individual's legal representative, by way of return of premiums, by way of reasonable interest on premiums and by way of bonus out of profits; or

(*d*) provide for the payment of annuity, if any, payable to a widow or widower of the individual to be of a grater annual amount than that paid or payable to the individual; or

(*e*) provide for the payment of any annuity otherwise than for the life of the annuitant;

and that it does include a provision that no annuity payable under it shall be capable in whole or in part of surrender, commutation or assignment.

(3) The Commissioner may, if he thinks fit, and subject to any conditions the Board may, by rules, prescribe and subject to any conditions he thinks proper to impose, approve a contract notwithstanding that the contract provides for one or more of the following matters, that is to say,—

(*a*) for the payment after the individual's death of an annuity to a dependant other than the widow or widower of the individual;

(*b*) for the payment to the individual of an annuity commencing before he attains the age of fifty-eight, if the annuity is payable on his becoming incapable through infirmity of mind or body of being actively engaged in his profession or any profession of a similar nature for which he is trained or fitted;

(*c*) for the annuity payable to any person to continue for a specified term (not exceeding ten years), notwithstanding his death within that term;

(*d*) in the case of an annuity which is to continue for such specified term, for the annuity to be assignable by will.

(4) The foregoing provisions of this section shall apply in relation to a contribution (by whatever name called to a fund

approved by the Commissioner as they apply in relation to any premium under an annuity contract so approved provided the fund satisfies also the conditions set out below and any other conditions which the Board may, by rules, prescribe, namely :—

(*a*) the fund shall be a fund established in India under an irrevocable trust for the benefit of individuals engaged in any profession referred to in sub-section (1) ;

(*b*) the fund shall have for its sole purpose the provision of annuities for individuals engaged in such profession on attaining a specified age or on their becoming incapacitated prior to attaining such age, or for the widow, children or dependants of such persons on their death ;

(*c*) all annuities, pensions and other benefits granted from the fund shall be payable only in India.

(5) The Commissioner may, at any time, after giving a reasonable opportunity of showing cause against the proposed withdrawal to the persons by and to whom premiums are payable under any contract for the time being approved under this section, or to the trustees of any fund so approved, withdraw the approval.

(6) Notwithstanding anything contained in sub-sections (1) and (4) no deduction under this section shall be allowed in the case of any individual—

(*i*) whose total income includes unearned income of more than ten thousand rupees ; or

(*ii*) who is entitled to any pension or participating in any pension or superannuation scheme.

(7) The allowance under this section shall be made in computing the earned income of the assessee included in the total income, so however, that the allowance shall not in any case exceed the amount of the income computed under the head "Profits and gains of business or profession"

(8) Any annuity payable under an approved contract referred to in sub-section (1) or from any fund referred to in sub-section (4), to a person other than the individual who pays the premium or makes the contribution and any interest on premiums or bonus out of profits payable to such person, shall be deemed to be his unearned income to the extent it is attributable to the amount of deduction allowed under sub-section (1) and chargeable to tax accordingly.

(9) Where any payment by way of annuity or otherwise is made by a person to whom premiums or contributions are payable

under sub-section (1) or sub-section (4), such person shall, subject to any rules made by the Board in this behalf deduct from the total amount so paid during any financial year, tax at such rate or rates in force in that year as would be applicable to such amount, if it were the total income and shall pay the amount so deducted to the credit of the Cental Government within the prescribed time and in such manner as the Board may direct and the provisions of section 201 shall, so far as may be, apply to such person if he does not deduct or after deducting fails to pay, such tax.

(10) Where a deduction under this section is claimed and allowed for any assessment year in respect of any payment, relief shall not be given in respect of it under any other provision of this Act for the same or a later assessment year nor (in the case of a payment under an annuity contract) in respect of any other premium or consideration for an annuity under the same contract.

(11) (*a*) The Board may, by notification in the Official Gazette, make rules for carrying out the purposes of this section.

(*b*) In particular and without prejudice to the generality of the foregoing power, such rules may—

(*i*) prescribe the statements and other information to be submitted along with an application for approval;

(*ii*) prescribe the returns, statements, particulars or information which the Income-tax Officer may require from a person by and to whom premiums or contributions are payable under this section;

(*iii*) provide for the assessment by way of penalty of any consideration received by an individual for an assignment of, or creation of a charge upon, any annuity or other sum receivable by him under any contract or from any fund approved for the time being under this section; and

(*iv*) provide for securing such further control over the approval granted under this section and administration of funds approved under this section as it may deem requisite.

80D *Definitions.*—In this Chapter—

(*i*) "relative" in relation to an individual means—

(*a*) the mother, father, husband or wife of the individual, or

(*b*) a son, daughter, brother, sister, nephew or niece of the individual, or (*c*) a grandson or grand-daughter of the individual, or

(*d*) the spouse of any person referred to in sub-clause (*b*);

(*ii*) "income" in relation to a handicapped dependant means the aggregate income of such person from all sources;

(*iii*) the expressions "earned income" and "unearned income" shall have the meanings respectively assigned to them in the Finance Act of the relevant year.'.

21. *Amendment of section 84.*—In section 84 of the Income-tax Act, in sub-section (6), for the word, figures and letter "Chapter XI-D", the word and figures "Chapter XI" shall be substituted.

22. *Insertion of new section 85A.*—After section 85 of the Income-tax Act, the following section shall be inserted, namely:—

"85A. *Deduction of tax on inter-corporate dividends.*—Where the total income of an assessee being a company includes any income by way of dividends received by it from an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends (including dividends on preference shares) within India, the assessee shall be entitled to a deduction from the income-tax with which it is chargeable on its total income for any assessment year of so much of the amount of income-tax calculated at the average rate of income-tax on thei ncome so included (other than any such income on which no income-tax is payable under the provisions of this Act) as exceeds an amount of twenty-five per cent thereof:

Provided that in the case of a company which has not made the prescribed arrangements for the declaration and payment of dividends within India and whose total income includes any income by way of dividends received by it from an Indian company which is not such a company as is referred to in section 108 and which is wholly or mainly engaged in the business of generation or distribution of electricity or of construction, manufacture or production of any one or more of the articles or things specified in the list in paragraph 2 of the Third Schedule to the Companies (Profits) Surtax Act, 1964 (7 of 1964) the amount of income-tax deductible under this section shall be so much of the amount of income-tax calculated at the average rate of income-tax on the income so included (other than any such income on which no income-tax is payable under the provisions of this Act) as exceeds an amount of fifteen per cent. thereof.

Explanation.—For the purposes of this section, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or of construction, manufacture or production of any one or more of the articles or things specified in the list in paragraph 2 of the Third Schedule to the Companies (Profits) Surtax Act, 1964 (7 of 1964), if the income attributable to any of the aforesaid activites included in its total income for the previous year is not less than fifty-one per cent of such total income.".

23. *Amendment of section 86.*—In section 86 of the Income-tax Act, clauses (*i*) and (*ii*) shall be omitted.

24. *Insertion of new section 86A.*—In Chapter VII of the Income-tax Act, after section 86, the following section shall be inserted, namely :—

"86A. *Deduction from tax on certain securities.*—Where there is included in the total income of an assessee—

(i) the interest due on any security of the Central Government issued or declared to be income-tax free, or

(*ii*) the interest due on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government,

the assessee shall be entitled to a deduction from the amount of income-tax with which he is chargeable on his total income, of an amount equal to the income-tax calculated on the amount so included at the average rate of income-tax or at the rate of twenty-five per cent whichever is less.".

25. *Amendment of section 87.*—In section 87 of the Income-tax Act,—

(*i*) in clause (*d*) of sub-section (*1*), for the words, figure and letter "to the extent provided in rule 7 of Part A of the Fourth Schedule", the words "in so far as the aggregate of such contributions does not exceed one-fifth of his salary in that previous year or eight thousand rupees, whichever is less" shall be substituted ;

(*ii*) in sub-section (4), the words, figures and letter "together with the amount of super-tax deductible under section 99A," shall be omitted ;

(*iii*) after sub-section (4), the following sub-section shall be inserted, namely:—

'(5) This section shall not apply in respect of—

(*i*) the assessment year commencing on the 1st day of April, 1966 and any subsequent assessment year, in the case of an assessee whose total income includes any income chargeable under the head "Salaries" from which tax is deducted, or deductible, at source in accordance with the provisions of section 192; and

(*ii*) the assessment year commencing on the 1st day of April, 1965 and any subsequent assessment year in the case of any other assessee.'.

26. *Amendment of section 88.*—In section 88 of the Income-tax Act.—

(*i*) in sub-section (*1*), for the words "of an amount equal to the income-tax calculated at the average rate of income-tax on any sums paid by him in the previous year", the following shall be substituted, namely:—

"(*a*) where the assessee is a company, of an amount equa to the income-tax calculated at the average rate o income-tax or at the rate of twenty-five per centf whichever is less, and

(*b*) in the case of any other assessee, of an amount equal to the income-tax calculated at the average rate of income-tax,

on any sums paid by the assessee in the previous year";

(*ii*) in sub-section (3), after the first proviso, the following proviso shall be inserted, namely :—

"Provided further that where any such sums paid during any previous year relevant to the assessment year commencing on the 1st day of April, 1965 or any subsequent assessment year include any donation referred to in sub-section (*6*), and such sums exceed the limit of two hundred thousand rupees specified in the first proviso, then such limit shall be raised to cover that portion of the donation which is equal to the difference between such sums and the said limit, so however, that the limit so raised shall not exceed ten per cent of the assessee's total income as reduced as aforesaid or five hundred thousand rupees, whichever is less:";

(*iii*) in sub-section (4), the words and figures "together with the amount of super-tax deductible under section 100" shall be omitted ;

(*iv*) in sub-section (6) ,—

(*a*) for the words "any temple, mosque, gurdwara, church or any other place", the words "any such temple, mosque, gurdwara, church or other place" shall be, and shall be deemed always to have been, substituted ;

(*b*) after the words "artistic importance", the words "or to be a place of public worship of renown throughout any State or States" shall be inserted.

27. *Amendment of section 90.*—In section 90 of the Income-tax Act, in clause (*a*), the brackets and words "(including super-tax)" shall be omitted.

28. *Amendment of section 91.*— In section 91 of the Income-tax Act, in clause (*i*) of the *Explanation*, the words "and super-tax" shall be omitted.

29. *Amendment of chapter XI.*— In Chapter XI of the Income-tax Act,—

(*i*) for the heading "SUPER-TAX", the heading "ADDITIONAL INCOME-TAX ON UNDISTRIBUTED PROFITS" shall be substituted;

(*ii*) sub-headings "*A.—General*", "*B.—Incomes forming part of total income on which no super-tax is payable*", "*C.—Rebate of super-tax*" *and* "*D.—Additional super-tax on undistributed profits*" and sections 95 to 103 (both inclusive) shall be omitted.

30. *Amendment of section 104.*— In section 104 of the Income-tax Act, in sub-section (1),—

(*i*) for the word "super-tax", the word "Income-tax" shall be substituted ;

(*ii*) in classe (*a*), the word "and" shall be omitted ;

(*iii*) for the brackets, letter and words "(*b*) thirty-seven per cent. in the case of any other company", the following shall be substituted, namely :—

" (*b*) thirty-seven per cent. in the case of a trading company, and

(*c*) twenty-five per cent in the case of any other company".

31. *Amendment of section 109.*—In section 109 of the Income-tax Act,—

(*i*) in sub-clause (*a*) of clause (*i*), the words "and super-tax" shall be omitted and for the words "any super-tax" the words "any income-tax" shall be substituted ;

(*ii*) after clause (*ii*), the following clause shall be inserted, namely :—

> '(*iia*) "trading company" means a company whose business consists wholly or mainly in dealing in goods or merchandise manufactured, produced or processed by a person other than that company and whose income attributable to such business included in its total income is not less than fifty-one per cent of the amount of such total income ;';

(*iii*) in clause (*iii*), to sub-clause (4) (*a*), the following proviso shall be added, namely :—

> 'Provided that in the case of such company, not being a trading company, sub-clause (*a*) shall have effect as if for the word "exceed", the words "exceed twice the amount of" were substituted.'.

32. *Substitution of new section for section* 110.—For section 110 of the Income-tax Act, the following section shall be substituted, namely:—

> "110. *Determination of tax where total income includes income on which no tax is payable.*—Where there is included in the total income of an assessee any income on which no income-tax is payable under the provisions of this Act, the assessee shall be entitled to a deduction, from the amount of income-tax with which he is chargeable on his total income, of an amount equal to the income-tax calculated at the average rate of income-tax on the amount on which no income-tax is payable."

33. *Amendment of section 111* In section 111 of the Income-tax Act, for the words "income-tax and super-tax," word "tax' shall be substituted.

34. *Amendment of section 112* .— In section 112 of the Income-tax Act,—

(*i*) in clause (*i*), for the word "income-tax," the word "tax" shall be substituted;

(*ii*) clause (*ii*) shall be omitted;

(*iii*) in clause (*iii*), for the words "income-tax and super-tax", the word "tax" shall be substituted.

35. *Omission of section* 113.—Section 113 of the Income-tax Act shall be omitted.

36. *Amendment of section* 114.—In section 114 of the Income-tax Act,—

(*i*) the words "and super tax", wherever they occur, shall be omitted;

(*ii*) in clause (*b*)—

(*a*) in sub clause (*i*), the words "and the average rate of super-tax respectively" shall be omitted;

(*b*) in sub-clause (*ii*), after the second proviso, the following proviso shall be inserted, namely :—

"Provided further that the amount of income-tax so calculated in respect of the capital gains relating to bonus shares, if any, chargeable under sub-section (2) of section 45, shall be reduced by an amount equal to twelve and a half per cent. of the face value of such bonus shares or the amount of income-tax so calculated whichever is less."; and

(*c*) the words "and three-fourths of the average rate of super-tax respectively", and one-half of the average rate of super-tax respectively" and "and average rate of super-tax" shall be omitted.

37. *Substitution of new section for section 115*— For section 115 of the Income-tax Act, the following section shall be substituted, namely :—

'115. *Tax on capital gains in case of companies* — Where the total income of a company includes any income chargeable under the head "Capital gains" (whether such gains relate to short-term capital assets or to other capital assets), the income-tax payable by it shall be the aggregate of —

(*i*) the amount of income-tax calculated at the rate of twelve and a half per cent on the amount of capital gains relating to bonus shares, if any chargeable under sub-section;

(2) of section 45 as reduced by an amount equal to twelve and a half per cent. of the face value of such bonus shares; so however, that the reduction shall in no case exceed the amount of income-tax so calculated;

(*ii*) the amount of income-tax calculated on the amount of capital gains relating to capital assets other than short-term capital assets included in the total income—

(*a*) at the rate of forty per cent. On so much of the amount of such capital gains as relate to buildings or lands or any rights in buildings or lands; and

b) at the rate of thirty per cent. On the balance of such capital gains, if any [excluding capital gains, if any, referred to in clause (*i*)]; and

(*iii*) the amount of income-tax with which it would have been chargeable had its total income been reduced by the amount of capital gains referred to in clauses (*i*) and (*ii*).'.

38. *Amendment of section 131.*—In section 131 of the Income-tax Act, after the words "Appellate Assistan Commissioner", the words," Inspecting Assistant Commissioner" shall be inserted.

39. *Amendment of section 155.*— In section 155 of the Income-tax Act,—

(*i*) after sub-section (5), the following sub-section shall be inserted, namely:—

"(5*A*) Where an allowance by way of development allowance has been made wholly or party to an assessee in respect of the cost of planting in any area in any assessment year under section 33A and subsequently—

(*i*) at any time before the expiry of eight years from the end of the previous year in which such allowance was made, the land is sold otherwise transferred by the assessee to any person other than the Government, a local authority, a corporation established by a Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956, (1 of 1956) or in connection with any amalgamation or succession referred to in sub-section (5) or sub-section (6) of section 33A; or (*ii*) at any time before the expiry of the eight years referred to in sub-section (3) of section 33A, the assessee utilises the amount credited to the reserve account under clause (*ii*) of that sub-section—

(*a*) for distribution by way of dividends or profits; or

(*b*) for remittance outside India as profits or for the creation of any asset outside India; or

(*c*) for any other purpose which is not a purpose of the business of the undertaking,

the development allowance originally allowed shall be deemed to have been wrongly allowed, and the Income-tax Officer may notwithstanding anything contained in this Act, recompute the total income f the assessee for the relevant previous year and make the necessary amendment; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the sale or transfer took place or the money was so utilised.";

(*ii*) in sub-section (7), for the words "the super-tax", the words "the tax" shall be substituted.

40. *Amendment of section 164.*— In section 164 of the Income-tax Act, the words "or total world income" shall be omitted.

41. *Amendment of section 178.*— In section 178 of the Income-tax Act, for sub-sections (3) and (4), the following sub-sections shall be substituted, namely:—

"(3) The liquidator—

(*a*) shall not, without the leave of the Commissioner, part with any of the assets of the company or the properties in his hands until he has been notified by the Income-tax Officer under sub-section (2), and

(*b*) on being so notified, shall set aside an amount equal to the amount notified and, until he so sets aside such amount, shall not part with any of the assets of the company or the properties in his hands;

Provided that nothing contained in this sub-section shall debar the liquidator from parting with such assets or properties for the purpose of the payment of the tax payable by the company or for making any payment to secured creditors whose debts are entitled under law to priority of payment over debts due to Government on the date of liquidation or for meeting such costs and expenses of the winding up of the company as are in the opinion of the Commissioner reasonable.

(4) If the liquidator fails to give the notice in accordance with sub-section (1) or fails to set aside the amount as required by sub-section (3) or parts with any of the assets of the company or the properties in his hands in contravention of the provisions of that sub-section he shall be personally liable for the payment of the tax which the company would be liable to pay:

Provided that if the amount of any tax payable by the Company is notified under sub-section (2), the personal liability of the liquidator under this sub-section shall be to the extent of such amount''.

42. *Amendment of section 181.*—In section 181 of the Income tax Act, after the words "tax free," the following words shall be inserted, namely:—

"at such rate not exceeding twenty-five per cent. As may be notified by the Central Government in the Official Gazette from time to time."

43. *Amendment of section 191.*—In section 191 of the Income-tax Act, the brackets and figure "(1)" and sub-section (2) shall be omitted.

44. *Amendment of section 192.*—In section 192 of the Income-tax Act,—

(*i*) in sub-section (1), the words "and super-tax', and the words "and average rate of super-tax respectively" shall be omitted;

(*ii*) sub-section (2) shall be omitted;

(*iii*) In sub-section (3), the words, brackets and figure "or sub-section (2)" shall be omitted;

(*iv*) in sub-section (5), for the words, "income-tax and super-tax," the word "tax" shall be substituted;

(*v*) the *Explanation* shall be omitted.

45. *Amendment of section 193.*—In section 193 of the Income-tax Act,—

(*a*) the words "and super-tax" shall be omitted;

(*b*) the following *Explanation* shall be inserted at the end, namely:—

'*Explanation.* —In this section 7, and in sections 194, 195 and 197, the expression "rates in force" means the rate or rates specified for the purpose of deduction by the Finance Act of the year in which such deduction is required to be made.'.

46. *Amendment of section 194.*—In section 194 of the Income tax Act, the words "and super tax" and the words "or the total world income" shall be omitted.

47. *Amendment of section 195.*—In section 195 of the Income-tax Act, in sub-section (1), the words "and super-tax," wherever they occur, shall be omitted.

48. *Amendment of section 197.*—In section 197 of the Income-tax Act,—

(*i*) is sub section (*1*),—

(*a*) the words "or super-tax," wherever they occur, and the words "or the total world income" shall be omitted;

(*b*) in clause (*b*), for the word "super-tax,,' the word "income-tax" shall be substituted;

(*ii*) in sub section (2), the words "and super-tax'; shall be omitted;

(*iii*) in sub-section (3),—

(*a*) for the words and figures "sections 84 and 101,'; the word and figures "section 84" shall be substituted;

(*b*) the words, brackets and figures "and sub-section (2) of section 101" shall be omitted;

(*c*) for the words and figures "sections 85 and 101," the word and figures "section 85" shall be substituted.

49. *Amendment of section 199.*—In section 199 of the Income Tax Act for the words "Income-tax or super-tax," as the case may be," the word "tax" shall be substituted.

50. *Amendment of section 203.*—In section 203 of the Income-tax Act, for the words "income-tax or super-tax," wherever they occur, the word "tax" shall be substituted.

51. *Amendment of section 206.*—In section 206 of the Income tax Act, in clause (c) of sub-section *(1)*, the words "and super-tax" shall be omitted.

52. *Amendment of section 209.*—In section 209 of the Income-tax Act,—

(i) in clause *(a)*,—

(a) in sub clauses *(ii)* and *(iii)*, the words "and super-tax, wherever they occur, shall be omitted;

(b) in sub-clause *(iv)*, the words "and super-tax and the brackets and letter "*(b)*" shall be omitted;

(ii) clause *(b)* shall be omitted;

(iii) in the *Explanation*, for the words, brackets and letters "clauses *(a)* and *(b)*," the word, brackets and letter "clause *(a)*" shall be substituted.

53. *Amendment of sections 213 to 217, 220, 243 and 244.*—In sections 213 to 217, 220, 243 and 244 of the Income-tax Act, for the words "four per cent," the words "six per cent." shall be substituted.

54. *Amendment of section 226.*—In section 226 of the Income-tax Act, for sub-section (5), the following sub-section shall be substituted, namely:—

"(5) The Income-tax Officer may, if so authorised by the Commissioner by general or special order, recover any arrears of tax due from an assessee by distraint and sale of his movable property in the manner laid down in the Third Schedule."

55. *Amendment of section 235.*—In section 235 of the Income-tax Act, for clause *(b)*, the following clause shall be substituted, namely:—

"*(b)* where the shareholder—

(i) is not a company, the amount of income-tax payable by him under this Act but not exceeding income-tax calculated at the rate of twenty-five per cent, and

(*ii*) is a company, twenty-five per cent.
on that portion of the dividend which is attributable to the profits of the company assessed to agricultural Income-tax,".

56. *Amendment of section 236.*—In section 236 of the Income-tax Act, in clause (*iii*) of *Explanation* 2, for the words and figures "sections 88 and 100," the word and figures "section 88' shall be substituted.

57. *Amendment of section 236A.*—In section 236A of the Income-tax Act, in sub-section (2), for the word "super tax", the word"tax"shall be substituted.

58. *Insertion of new section 276A.*—After section 276 of the Income-tax Act, the following section shall be inserted, namely:—

"276A *Failure to comply with the provisions of sub-section (1) and (3) of section 178.*—If a person, without reasonable cause or excuse,—

(*i*) fails to give the notice in accordance with sub-section (*1*) of section 178; or

(*ii*) fails to set aside the amount as required by sub-section (*3*) of that section; or

(*iii*) parts with any of the assets of the company or the properties in his hands in contravention of the provisions of the aforesaid sub-section,

he shall be punishable with rigorous imprisonment for a term which may extend to two years:

Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the court, such imprisonment shall not be for less than six months.".

59. *Amendment of section 279.*—In section 279 of the Income-tax Act, in sub-section (*1*), after the word and figures "section 276," the words, figures and letter "or section 276A" shall be inserted.

60. *Amendment of section 280P.*—In section 280P of the Income-tax Act, the words "and super-tax" shall be omitted.

61. *Amendment of section 280X.*—In section 280X of the Income-tax Act, in sub-section (2), the brackets and words "(but not super-tax)" shall be omitted.

62. *Insertion of new Chapter XXIIB.*—After section 280X of the Income-tax Act, the following Chapter and sections shall be inserted, namely:—

'CHAPTER XXIIB

TAX CREDIT CERTIFICATES

280Y. *Definitions.*—In this Chapter,—

(*a*) "eligible issue of capital" means an issue of ordinary shares specified as such in the scheme;

(*b*) "public company" means a public company as defined in section 3 of the Companies Act, 1956 (I of 1956);

(*c*) "scheme" means a scheme made under this Chapter;

(*d*) "urban area" means any area which the Central Government may, having regard to the population, concentration of industries, need for proper planning of the area and other relevant factors, by general or special order, declare to be an urban area for the purposes of this Chapter.

280Z. *Tax credit certificates to certain equity share-holders.*—(*1*) An individual shall be granted a tax credit certificate if he by himself or some other person on his behalf has subscribed to, and made payments in respect of, any eligible issue of capital.

(2) A Hindu undivided family shall also be granted a tax credit certificate if any person has subscribed to, and made payments in respect of, any eligible issue of capital on behalf of that Hindu undivided family.

(3) A tax credit certificate granted under the provisions of this section shall be for the amount or the aggregate of the amounts computed as hereunder with reference to the capital so subscribed and paid:

(*i*) On the first Rs. 15,000 of the amount paid in the financial year	at the rate of 5 per cent.;
(*ii*) On the next Rs. 10,000 of the amount paid in the financial, year	at the rate of 3 per cent',
(*iii*) On the next Rs. 10,000 of the amount paid in the financial year	at the rate of 2 per cent.;
(*iv*) On the balance of the amount paid in the financial year	*Nil*

Explanation.—For the purposes of this section—

(*i*) "subscribed" includes acquisition of the shares forming part of an eligible issue of capital from a person who is specified as an underwriter in pursuance of clause 11 of Part I of Schedule II to the Companies Act, 1956 (1) of 1956, (hereinafter in this section referred to as the underwriter) ;

(*ii*) a payment shall be treated as having been made to the extent to which and on the date on which the amount of the said payment has been credited to the share capital account of the Company.

(*4*) A tax credit certificate for the amount specified in sub-section (*3*) shall be granted to an individual or Hindu undivided family—

(*a*) where payment by way of subscription has been made to the company, in respect of the financial year in which payment has been made and each of the three financial years following that year ; and

(*b*) where the acquisition has been made from the cunderwriter, in respect of the financial year in whih the capital was so acquired and each one, if any, of the following financial years not falling beyond the third financial year from the end of the financial year in which the payment by way of subscription has been made to the company by the underwriter;

Provided that, in either case, the capital is held by or on behalf of the individual or on behalf of the Hindu undividedfamily, as the case may be, at the end of the relevant financial year:

Provided further that where any part of the capital in respect of which a tax credit certificate had been granted in a financial year (hereinafter referred to as the earlier financial year) is sold, transferred or otherwise disposed of in a subsequent financial year the tax credit certificate to be granted with reference to the remaining capital in arespect of the said subsequent financial year or any financial year following that year shall be for such amount as bears to the amount for which the tax credit certificate was granted in the earlier financial year the same proportion as the amount of the remaining capital as on the 31st day of March of the subsequent financial year bears to the total amount of the capital with reference to which the tax credit certificate was granted in the earlier financial year.

(*5*) If any individual by himself or on behalf of any other individual or on behalf of any Hindu undivided family has acquired any shares forming part of an eligible issue of capital from the underwriter, he shall not be entitled to a tax credit certificate under this section, unless his name is entered as a shareholder in respect of such shares in the register of shareholders of the company.

(*6*) The amount shown on a tax credit certificate granted to an individual or Hindu undivided family shall, on the certificate being produced before the Income-tax Officer, be adjusted against any existing liability of such individual or Hindu undivided family under the Indian Income-tax Act, 1922 (11 of 1922) or this Act, or any such liability arising within the period of twelve months from the date on which the certificate was produced before the Income-tax Officer, and where the amount of such certificate exceeds such laibility, or where there is no such liability, the excess or the whole of such amount, as the case may be, shall, notwithstanding anything contained in Chapter XIX, be deemed on the date of the expiry of the said period of twelve months, to be refund due to such individual or Hindu undivided family, as the case may be, under that Chapter and the provisions of this Act shall apply accordingly.

(*7*) The Central Government may specify in a scheme any issue of ordinary shares by a public company as eligible issue of capital.

(*8*) In specifying any issue of ordinary shares as eligible issue of capital, the Central Government shall have regard to the following factors, namely:—

(*a*) the total amount of the capital issued;

(*b*) the terms and conditions subject to which the capital is issued;

(*c*) the trade or business in which the company concerned is engaged;

(*d*) the purposes for which the issue is being made;

(*e*) any other relevant factor.

280ZA. *Tax creidit certificates for shifting of industrial undertaking from urbun area.* (1) If any public company owning an industrial undertaking situate in an urban area shifts, with the prior approval of the Board, such undertaking to any area (not of the said period of twelve months, to be refunded due to such company under that Chapter and the provisions of this Act shall apply accordingly.

(4) Where a capital asset, being building or land, or any right in building or land, acquired or, as the case may be, constructed in the area to which the undertaking of the company is shifted, is transferred by the company within a period of five years from the date of acquisition or, as the case may be, the date of completion of construction to any person other than the Government, a local authority, a corporation established by a Central, State or Provinical Act or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956), an amount equal to one-half of the amount for which a tax credit certificate has been granted to the company under sub-section (1) shall be deemed to be tax due from the company on the thirtieth day following the date of transfer under a notice of demand issued under section 156, and all the provisons of this Act shall, apply accordingly,

Explanation:—Any land or building used for the residence of persons employed in the business of the company or for the use of such persons as a hospital, creche, school, canteen, library, recreational centre. shelter, rest–room or lunch-room shall, for the purposes of this section, be deemed to be land or building used of the purposes of the company. business of the company.

280ZB. *Tax Credit Certificate to certain manufacturing Companies in Certain cases-* :— (1) Where any company engaged in the manufacture or production of any of the articles mentioned in the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951), is, in respect of its profits and gains attributable to such manufacture or production,—

(*i*) liable to pay any tax for the assessment year commencing on the 1st day of April, 1965 (hereinafter referred to as the base year) and for any one or more of the five assessment years next following that year; or

(*ii*) not liable to pay any tax for the base year but becomes so liable for any succeeding year (hereinafter referred to as the succeeding base year) and also for any one or more of the assessment years following that year, not being an assessment year commencing on the 1st day of April, 1971, or any subsequent assessment year

and the tax for any such succeeding year exceeds—

(*a*) in the case referred to in clause (*i*), the tax payable for the base year;

being the area in which such undertaking is situate), it shall be granted a tax credit certificate.

(2) The tax credit certificate to be granted under sub-section (1) shall be for an amount computed in the following manner with reference to the amount of the tax payable by the company on its income chargeable under the head "Capital gains" arising from the transfer of capital assets being buildings or lands or any rights in buildings or lands used for the purposes of the business of the said undertaking in the urban area, effected in the course of or in consequence of the shifting of such industrial undertaking, namely:—

(*a*) the amount of expenditure incurred by the company in—

(*i*) acquiring lands or constructing buildings for the purposes of the business of the company in the area to which the undertaking is shifted, and

(*ii*) shifting its machinery or plant and other effects and transferring its establishment to such area,

within a period of three years, from the date of the approval referred to in sub-section (1). or such further period as the Board may allow, shall first be ascertained ;

(*b*) the amount of the tax credit certificate shall bear to the amount of tax payable by the company on its income chargeable under the head "Capital gains' as aforesaid the same proportion as the amount of expenditure ascertained under clause (*a*) bears to the amount of the said income:

Provided that the amount of the tax credit certificate shall in no case exceed the amount of the tax aforesaid.

(3) The amount shown on a tax credit certificate granted to a public company under sub-section (1) shall, on the certificate being produced before the Income-tax Officer, be adjusted against any existing liability of the company under the Indian Income-tax Act, 1922, (11 of 1922) or this Act, or any such liability arising within the period of twelve months from the date on which the certificate was produced before the Income-tax Officer, and where the amount of such certificate exceeds such liability, or where there is no such liability, the excess or the whole of such amount, as the case may be, shall, notwithstanding anything contained in Chapter XIX, be deemed, on the date of the expiry of

(*b*) the need to develop foreign markets for such goods or merchandise;

(*c*) the need to earn foreign exchange;

(*d*) any other relevant factor.

(4) The amount shown on a tax credit ceredit certificate granted to any person under this section shall, on the certificate being produced before the Income-tax Officer, be adjusted against any existing liability of that person under the Indian Income-tax Act, 1922, (11 of 1922.) or this Act, or any such liability arising within the period of twelve months from the date on which the certificate was produced before the Income-tax Officer and where the amount of such certificate exceeds such liability or where there is no such liability, the excess or the whole of such amount, as the case may be, shall, notwithstanding anything contained in Chapter XIX, be deemed, on the date of the expiry of the said period, to be refund due to such person under that Chapter and the provisions of this Act shall apply accordingly.

280ZD. *tax credit certificates in relation to increased production of certain goods.*—(1) Subject to the provisions of this section, a person, who during any financial year commencing on the 1st day of April, 1965 or any subsequent financial year (not being a year commenoing on the 1st day of April, 1970 or any financial year thereafter) manufactures or produces any goods, shall be granted a tax credit certificate for an amount calculated at a rate not exceeding twenty-five per cent of the amount of the duty of excise payable by him on that quantum of the goods cleared by him during the relevant financial year which exceeds the quantum of the goods cleared by him during the base year, whether the clearance in either case is for home consumption or export.

(2) The goods in respect of which a tax credit certificate shall be granted under sub-section (*1*) and the rate at which the amount of such certificate shall be calculated shall be such as may be specified in the scheme:

Provided that different rates may be specified in respect of different goods.

(3) In specifying the goods and the rates under sub-section (1), the Central Government shall have regard to the following factors, namely:—

(*a*) the need for stimulating industrial output;

(*b*) the need for financial assistance, to industrial undertakings engaged in the manufacture or production of such goods;

(*c*) any other relevant factor.

(4) Where any undertaking begins, after the 1st day of April in the base year, to manufacture or produce any goods in respect of which a tax credit certificate may by granted under sub-section (1), the quantum of goods cleared in that year shall, for the purposes of that sub-section, be determined in such manner as may be provided in the scheme.

(5) The amount shown on a tax credit certificate granted to any person under the provisions of sub-section (1) shall, on the certificate ebing produced before the Income-tax Officer, be adjusted against any existing liability of such person under the Indian Income-tax Act, 1922, 11 of 1922, or this Act, or any such liability arising within a period of twelve months from the date on which the certificate was produced before the Income-tax Officer and where the amount of such certificate exceeds such liability, or where there is no such liability, the excess or the whole of such amount, as the case may be, shall, notwithstanding anything contained in Chapter XIX, be deemed, on the date of the expiry of the said period of twelve months, to be refund due to such person under that Chapter and the provisions of this Act shall apply accordingly:

Provided that the adjustment or refund, as the case may be, under this sub-section shall be only for such amount, not exceeding the amount of the certificate, as is used within such period as may be specified in the scheme—

(*i*) for repayment of loans taken by the person from any of the financial institutions notified in this behalf by the Central Government, or

(*ii*) for the acquisition of any capital asset in India, including the construction of any building, for the purposes of his business, or

(*iii*) where the person is a company, also for redemption of its debentures.

(6) In this section—

(*a*) "base year", in relation to an existing undertaking which manufactures or produces the goods referred to in subsection (1), means the financial year commencing on

(*b*) in the case referred to in clause (*ii*), the tax payable for the succeeding base year,
then the company shall be granted a tax credit certificate for an amount equal to twenty per cent of such excess:

Provided that the amount of the tax credit certificate shall not for any assessment year exceed ten per cent of such tax payable by the company for that year.

(2) The amount shown on a tax credit certificate granted to any company under the provisions of sub-section (1) shall, on the certificate being produced before the Income-tax Officer, be adjusted against any existing liability of such company under the Indian Income-tax Act, 1922 (11 of 1922.) or this Act, or any such liability arising within a period of twelve months from the date on which the certificate was produced before the Income-tax Officer and where the amount of such certificate exceeds such liability, or where there is no such liability, the excess or the whole of such amount, as the case may be, shall, notwithstanding anything contained in Chapter XIX, be deemed, on the date of the expiry of the said period of twelve months, to be refund due to such company under that Chapter and the provisions of this Act shall apply accordingly :

Provided that the adjustment or refund, as the case may be, under this sub-section shall be only for such amount, not exceeding the amount of the certificate, as is used within such period as may be specified in the scheme—

(*i*) for repayment of loans taken by the company from any of the financial institutions notified in this behalf by the Central Government, or

(*ii*) for redemption of its debentures, or

(*iii*) for the acquisition of any capital asset in India, including the construction of any building, for the purposes of the business of the company.

Explanation 1.—In this section, "tax" means income-tax payable under this Act and sur tax, if any, payable under the Companies (Profits) Sur tax Act, 1964 7 of 1964.

Explanation 2.—The amount of income-tax in respect of the profits or gains attributable to the manufacture or production of the articles referred to in sub-section (1) shall be an amount bearing to the total amount of income-tax payable on the total income (such income-tax being computed in the manner specified hereunder) the same proportion as the amount of such profits or gains bears to the total income. The amount of income-tax payable by the company for any assessment year shall be computed after making allowance for any relief, rebate or deduction in respect of income-tax to which the company is entitled under the provisions of this Act or the annual Finance Act and after deducting from such amount of income-tax the amount of additional income-tax, if any, payable by the company under the provisions of section 104 and also the amount, if any, by which the rebate of income-tax admissible to the company under the provisions of the annual Finance Act is, under the provisions of the said Act, reduced with reference to the face value of any bonus shares or the amount of any bonus issued by the company to its shareholders during the previous year or any previous year prior to that year or with reference to any amount of dividends declared or distributed by it during the previous year or any previous year prior to that year.

Explanation 3.—The amount of sur tax in respect of the chargeable profits attributable to the manufacture or production of the articles referred to in sub-section (1) shall be an amount bearing to the total amount of surtax payable under the Companies (Profits) Sur tax Act, 1964 (7 of 1964). the same proportion as the amount of such chargeable profits bears to the whole of the chargeable profits.

280ZC. *Tax credit certificate in relation to exports.*—(1) Subject to the provisions of this section, a person who exports any goods or merchandise out of India after the 28th day of February, 1965, and receives the sale proceeds thereof in India in accordance with the Foreign Exchange Regulation Act, 1947 (7 of 1947) and the rules made thereunder, shall be granted a tax credit certificate for an amount calculated at a rate not exceeding fifteen per cent. on the amount of such sale proceeds.

(2) The goods or merchandise in respect of which a tax credit certificate shall be granted under sub-section (1) (including the destination of their export) and the rate at which the amount of such certificate shall be calculated shall be such as may be specified in the scheme:

Provided that different rates may be specified in respect of different goods or merchandise.

(3) In specifying the goods or merchandise (including the destination of their export) and the rates, the Central Government shall have regard to the following factors, namely:—

(*a*) the cost of manufacture or production of such goods or merchandise and prices of similar goods in the foreign markets;

the 1st day of April, 1964 and in relation to any other undertaking, the financial year in which such undertaking begins to manufacture or produce such goods;

(*b*) "duty of excise" means the duty of excise leviable under the Central Excises and Salt Act, 1944 (1 of 1944)

280ZE. *Tax credit certificate scheme* (*1*) —The Central Government shall, by notification in the Official Gazette, frame one or more scheme or schemes to be called tax credit certificate scheme or schemes in relation to tax credit cretificates to be granted under this Chapter.

(2) A scheme framed under sub-section (1) may provide for—

(*a*) the form and manner in which, and the authority to which, applications for the grant of tax credit certificates shall be made;

(*b*) the form in which, and the intervals at which, and the authority by which, such certificates shall be issued;

(*c*) the verification of any information or particulars furnished, or contained in any application made, by or on behalf of any person entitled to tax credit certificates;

(*d*) the determination of the rights and obligations of a person to whom such certificate has been granted and the circumstances in which any right in or title to the said certificate may be transferred to or devolve on any other person by succession or otherwise;

(*e*) the determination of the rights and obligations of persons who jointly subscribe to an eligible issue ofcapital;

(*f*) the determination of the rights and obligations of persons who subscribe to an eligible issue of capital, on behalf or for the benefit, of any other person;

(*g*) the appointment of any officer of Government or of the Reserve Bank of India to exercise any rights or perform any duties in connection with the grant of the said certificates;

(*h*) the goods or merchandise and the rate or rates for the purposes of section 280ZC and section 280ZD and the destination of the export of such goods or merchandise for the purposes of section 280ZC;

(*i*) any other matter which may be necessary or proper for the effective implementation of the provisions of this Chapter or the scheme.

(3) The Central Government may, by notification in the Official Gazette, add to, amend, vary or rescind any scheme made under this section.

(4) Any scheme made under this section shall be laid, as soon as may be, after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in any provision of the scheme or both Houses agree that any provision in the scheme should not be made, that provision of the scheme shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that provision.'

63. *Amendment of section 294.*—In section 294 of the Income-tax Act, the words "or super-tax" shall be omitted.

64. *Amendment of section 295*—In section 295 of the Income-tax Act, in clause (*e*) of sub-section (2), after the words, brackets and figures "clause (*i*) of sub-section (3) of section 87", the words, brackets, figures and letter "or clause (*i*) of sub-secton (4) of section 80A, as the case may be" shall be inserted.

65. *Amendment of First Schedule.*— In the First Schedule to the Income-tax Act, in rule 3, in clause (*c*), for the words "but no income-tax shall be payable on the annual average of the amount of such interest", the words "but the assessee shall be entitled to a deduction from the amount of income-tax with which he is chargeable on his total income, of an amount calculated at the rate of twenty-five per cent. on the annual average of the amount of such interest' shall be substiuted.

66. *Amendment of Fourth Schedule.* In the Fourth Schedule to the Income-tax Act,—

(*a*) in Part A,—

(*i*) in rule 6, the words "and super-tax" shall be omitted

(*ii*) for rule 7, the following rule shall be substituted; namely:—

"7. *Exemption for employee's contributions.*—An employee participating in a recognised provident fund shall, in respect of his own contributions to his individual account in the fund in the previous year, be entitled to a deduction in the computation of his total income of an amount determined in accordance with section 80A or, as the case may be, to a deduction from the amount of income-tax with which he is chargeable on his total income of an amount of income-tax determined in accordance with section 87.";

(*iii*) in sub-rule (1) of rule 9, for the words "income-tax and super-tax" wherever they occur, the word "tax" shall be substituted;

(*iv*) in sub-rule (3) of rule 11, the words " and super-tax" shall be omitted;

(*v*) in clause (*d*) of sub-rule (1) of rule 15, for the words "income-tax and super-tax", the word "tax" shall be substituted;

(*b*) in Part B,—

(*i*) in rule 5, the words "and super-tax" shall be omitted;

(*ii*) in rule 6,—

(*a*) for the words "income-tax and super-tax", wherever they occur, the word "tax" shall be substituted;

(*b*) after the words "paid to an employee during his lifetime,", the words, brackets and figures "in circumstances other than those referred to in clause (13) of section 10" shall be inserted;

(*iii*) in caluse (*e*) of sub-rule (1) of rule 11, for the words" income-tax", and super-tax the word " tax " shall be substituted;

(*c*) in Part C, in rule 7, the words "and super-tax" shall be omitted.

67. *Insertion of new Schedule.* After the Fourth Schedule to the Income-tax Act, the following Schedule shall be inserted, namely:—

'THE FIFTH SCHEDULE

[*See* section 33 (*1*) (*iii*) (*c*)]

List of articles and things

(1) Iron and steel (metal), ferro-alloys and special steels.

(2) Aluminium, copper, lead and zinc (metals).

(3) Iron ore, bauxite, manganese ore, dolomite, limestone, magnesite and mineral oil.

(4) Industrial machinery specified under the heading "8· Industrial machinery" sub-heading "A. Major items of specialised equipment used in specific industries", of the First Schedule to the industries (Devlopment and Regulation) Act, 1951 65 of 1951.

(5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.

(6) Flame and drip proof motors.

(7)Equipment for the generation and transmission of electricity including transformers, cables and transmission towers.

(8) Machine tools and precision tools (including their attachments and accessories, cutting tools and small tools), dies and jigs.

(9) Tractors, earth-moving machinery and agricultural implements.

(10) Motor trucks and buses.

(11) Steel castings and forgings and malleable iron and steel castings.

(12) Cement and refractories.

(13) Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate, (double salt) ammonium nitrate, calcium ammonium nitrate (nitrolime stone), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate and ammonium nitro phosphate.

(14) Soda ash.

(15) Pesticides.

(16) Paper and pulp.

(17) Electronic equipment, namely, radar equipment, computers, electroic accounting and business machines, electronic communication equipment, electronic control instruments and basic components, such as valves, transistors, resistors, condensors, coils, magnetic materials and micro wave components.

(18) Petrochemicals including corresponding products manufactured from other basic raw materials like calcium carbide, ethyl alcohol or hydrocarbons from other sources.

(19) Ships.

(20) Automobile ancillaries.

(21) Seamless tubes.

(22) Gears.

(23) Ball, roller and tapered bearings.

(24) Component parts of the articles mentioned in items Nos. (4), (5), (7) and (9), that is to say, such parts as are essential for the working of the machinery referred to in the items aforesaid and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose and are in complete finished form and ready for fitment.

(25) Cotton seed oil.'.

68. *Voluntary disclosure of income.*—(1) Where any person makes a declaration in accordance with sub-section (2) in respect of the amount representing income—

(*a*) which he has failed to disclose in a return of income for any assessment year filed by him before the 1st day of March, 1965 under the Indian Income-tax Act, 1922 (11 of 1922) or the Income-tax Act, 1961 (43 of 1961), or

(*b*) which has escaped assessment for any assessment year for which an assessment has been made before the 1st day of March, 1965 under either of the said Acts, or

(*c*) for the assessment of which no proceeding under either of the said Acts has been taken before the 1st day of March, 1965,

he shall, notwithstanding anything contained in the said Acts, be charged income-tax at the rate specified in sub-section (3) in respect of the amount so declared if he,—

(*i*) pays the amount of income-tax as computed at the said rate, or

(*ii*) furnishes adequate security for the payment thereof in accordance with sub-sections (4) and undertakes to pay such income-tax within a period, not exceeding six months, from the date of the declaration as may be specified by him therein, or

(*iii* on or before the 31st day of May, 1965, pays such amount as is not less than one-half of the amount of income-tax as computed at the said rate or furnishes adequate security for the payment thereof in accordance with sub-section (4), and in either case assings any shares in, or debentures of a joint stock company or mortgages any immovable property, in favour of the President of India by way of security for the payment of the balance, and undertakes to pay such balance within the period referred to in clause (*ii*).

(2) The declaration shall be made to the Commissioner, and shall specify the period required to be specified under clause (*ii*) of sub-section (1), contain the name, address and signature of the person making the declaration and also full information in respect of the following matters, namely:—

(*a*) Whether he was assessed to income-tax or not and, if assessed, the name of the Income-tax Circle in which he was assessed.

(*b*) The amount of income declared, giving where available, details of the financial year or years in which the income was earned and the amount pertaining to each such year.

(*c*) Whether the amount declared is represented by cash (including bank deposits), bullion, investments in shares debts due from other persons, commodities, or any other assets, and the name in which it is held and location thereof:

Provided that the declaration shall be of no effect unless it is made after the 28th day of February, 1965 and before the 1st day of June, 1965.

(3) The rate of income-tax chargeable in respect of the amount referred to in sub-section (1) shall be sixty per cent of such amount:

Provided that if before the 1st day of April, 1965, the tax on the amount declared is paid by the declarant at the rate of fifty-seven per cent of such amount, he shall not be liable to pay any further tax on such amount.

(4) A person shall not be considered to have furnished adequate security for the payment of the tax for the purposes of sub-section (1) unless the payment is guranteed by a scheduled bank or the person makes an assignment, in favour of the President of India, of any security of the Central or State Government.

Explanation.— For the purposes of this sub-section, where an assignment of Government securities is made in favour of the President, the amount covered by such assignment shall be the market value of the securities on the date of the assignment.

(5) Any amount of income-tax paid in pursuance of a declaration made under this section shall not be refundable in any circumstances, and no person who has made the declaration shall be entitled, in respect of any amount so declared or any amount of tax so paid, to reopen any assessment or reassessment made under the Indian Income-tax Act, 1922 (11 of 1922), or the Income-tax Act, 1961 (43 of 1961), or the Excess Profits, Tax Act, 1940 (15 of 1940) or the Business Profits Tax Act, 1947 (21 of 1947) or the Super Profits Tax Act, 1963 (14 of 1963), or the Companies (Parofits) Surtax Act, 1964 (7 of 1964), or claim any set off or relief in any appeal, reference, revision or other proceeding in relation to any such assessment or reassessment.

(6) (*a*) Any amount declared by any person under this section in respect of which the tax referred to in sub-section (3) is paid shall not be included in his total income for any assessment under any of the Acts mentioned in sub-section (5) if he credits in the books of account, if any, maintained by him for any source of income or in any other record, the amount declared as reduced by the tax paid thereon under this section.

(*b*) A credit made under clause (a) shall be intimated to the Income-tax Officer.

(7) (*a*) The Commissioner shall grant a certificate to every person who has made a declaration under this section and paid the income-tax under this section.

(*b*) The certificate shall set forth the particulars of the amount stated in the declaration, the amount of income-tax paid in respect of the same and the date of payment.

(8) (*a*) All particulars contained in any declaration made under this section or record of any proceeding under this section shall be treated as confidential and, notwithstanding anything contained in any law for the time being in force, no court shall be entitled to require any public servant to produce before it any such declaration or record or any part thereof or to give evidence before it in respect thereof.

(*b*) No public servant shall disclose any particulars contained in any such declaration or record except to any officer employed in the execution of any of the Acts mentioned in sub-section (5) or to any officer appointed by the Comptroller and Auditor-General of India or the Board to audit income-tax receipts or refunds.

(9) Any payment of income-tax under this section shall be made by depositing the amount to the credit of the Central Government at a Government treasury or sub-treasury, or at any branch of the Reserve Bank of India, or at any branch of the State Bank of India or at any of its agencies conducting Government treasury business.

(10) In this section,—

(i) "Board" means the Central Borad of Direct Taxes constituted under the Central Boards of Revenue Act, 1963 54 of 1963—;

(ii) "Commissioner" means the Commissioner of Income-tax appointed under the Income-tax Act, 1961 43 of 1961 having for the time being jurisdiction for the purposes, of that Act over the person who makes a declaration under this section.

69. Amendment of Act 34 of 1953—. In the Estate Duty Act, 1953,—

(i) in section 9, in sub-section (1), for the words "two years" the words "one year" shall be substituted;

(ii) in section 10,—

(a) in the proviso, for the words "two years" the words "one year" shall be substituted;

(b) after the proviso, the following proviso shall be inserted, namely:—

"Provided further that a house or part thereof taken under any gift made to the spouse, son, daughter, brother or sister, shall not be deemed to pass on the donor's death by reason only of the residence therein of the donor except where a right of residence therein is reserved or secured directly or indirectly to the donor under the relevant disposition or under any collateral disposition.";

(iii) in sub-section (2) of section 11,—

(a) for the words "two years" wherever they occur, the words "one year" shall be substituted;

(b) after the first proviso, the following proviso shall be inserted, namely:—

"Provided further that where the disposition or determination of an interest limited to cease on the death in a house or part thereof was effected or suffered in favour of the spouse, son, daughter, brother or sister, then, the disposition or determination shall, notwithstanding the residence therein of the person who immediately before the disposition or determination had the interest, be deemed to be excepted by this sub-section save where a right of residence therein is reserved or secured directly or indirectly to such person under the relevant disposition or under any collateral disposition.";

(*iv*) in sub section (1) of section 12,—

(*a*) in the proviso, for the words "two years" the words "one year" shall be substituted;

(*b*) after the proviso and before the *Explanation* the following proviso shall be inserted, namely:—

"Provided further that a house or part thereof comprised in such settlement made in favour of the spouse, son, daughter, brother or sister, shall not be deemed to pass on the settlor's death by reason only of the residence therein of the settlor except where a right of residence is reserved or secured directly or indirectly to the settlor under the settlement or under any collateral disposition.";

(*v*) in section 22,—

(*a*) for the words "two years", the words "one year" shall be substituted;

(*b*) for the proviso, the following proviso shall be substituted, namely:—

"Provided that a house or part thereof held by the deceased as trustee for another person under a disposition made by him in favour of the spouse, son, daughter brother or sister, shall not be deemed to be included in the property passing on the death of the deceased by reason only of the residence therein of the deceased except where a right of residence therein is reserved or secured directly or indirectly to the deceased under the relevant disposition or under any collateral disposition.";

(*vi*) after section 29, the following section shall be inserted namely:—

"29A. *Exemption of pensions, etc., in certain cases.* Estate duty shall not be payable in respect of—

(*a*) any pension accruing or arising on the death of the deceased to his widow or other dependants under the revised Pension Rules of the Central Government or under any similar scheme of a State Government, a local authority or a corporation established by a Central, State or Provincial Act, or under the New Pension Code applicable to the members of the Defence Services; or

(*b*) any annuity or pension payable to such widow or dependants from—

(*i*) a superannuation fund approved under the Indian Income-tax Act, 1922, (11 of 1922, or the Income-tax Act, 1961 (43 of 1961.) to the extent to which the amount of such annuity or pension does not exceed the equivalent of fifteen thousand rupees per annum, or

(*ii*) a superannuation or pension fund established by such international organisations as the Central Government may, by notification in the Official Gazette, specify in this behalf.";

(*vii*) in section 33, in sub-section (1),—

(*a*) in clause (*b*), for the words "two years the words "one year" shall be substituted ;

(*b*) after clause (*n*), the following clause shall be inserted, namely:—

"(*o*) property taken under any gift made by the deceased to the spouse, son, daughter, brother or sister, beyond a period of five years before his death:

Provided that the property is either chargeable to gift-tax under the Gift-tax Act, 1958,(18 of 1958,) or is not chargeable under section 5 of that Act, for any assessment year commencing after the 31st day of March, 1964.";

(*viii*) in section 34, in clause (*a*) of sub-section (1), for the word, brackets and letter "and (*n*)", the brackets, letters and word ", (*n*, and (o) " shall be substituted ,

(*ix*) in section 46, in sub-section (*2*), for the words "two years", the words "one year" shall be substituted.

70- *Amendment of Act 27 of 1957*. In the Wealth-tax Act, 1957,—

(*i*) in sub-section (1) of section 5, after clause (*xix*), the following clause shall be inserted, namely:—

"(*xx*) the value of any equity shares held by the assessee in any company of the type referred to in clause (*d*) of

FORM M. P. I. VIII

[*See* Rule 27 (b)]

Permit for the possession of Intoxicating Drugs to be used for administering it for cattle or domestic animals on medical grounds.

Permit No..........

Permit is hereby granted under and subject to the provisions of the Mysore Prohibition Act, 1961 and the rules, regulations and orders made thereunder to Sri/Smt/Kumari .... of ....(hereinafter called as "Permit Holder") on payment of a fee of Re. 1 authorising him/her to buy, transport, possess and use Intoxicating Drugs or its administration to his/her cattle/domestic animals specified in the schedule hereto annexed on medical grounds at his/her place situated .... in the taluk of .... in the District of .... subject to the following conditions :—

CONDITIONS.

1. This permit will remain in force from ....to .... (both days inclusive).

2. The privileges of purchase, transport and possession of Intoxicating drugs granted under this permit shall extend only so far as they are incidental to its use in accordance with the conditions of this permit.

3. The permit holder shall not possess Intoxicating Drugs in excess of .... grams at any one time. He shall not keep Intoxicating Drugs at any place other than the place specified above. Intoxicating drugs shall be kept in a box securely locked, the key of which shall be only in the Licensees' custody.

4. The permit holder shall not during the currency of this permit purchase intoxicating drugs exceeding ....grams; Provided that this quantity may be reduced during he currency of the permit if the Deputy Commissioner or the Authorised Officer deems it necessary.

5. (a) The permit holder shall not obtain his supplies of Intoxicating Drugs except from a treasury established under the Mysore Prohibition (Intoxicating Drugs) Rules, 1962;

Provided that the permit holder may, in special cases be permitted to obtain intoxicating drugs from any other place with the previous approval of the Prohibition Commissioner.

(b) The permit holder shall get the details of the purchase entered on the reverse of the permit by the Officer-in-charge or licensed seller before he removes Intoxicating Drugs from the premises.

(c) No Intoxicating Drugs other than that obtained under this permit shall be transported, possessed or used by the permit holder.

6. The Intoxicating Drugs purchased under this permit shall be used by the permit holder solely for administering it to his cattle/domestic animals in accordance with the recommendation of the Veterinary Surgeon.

7. The permit holder shall immediately intimate to the Deputy Commissioner or the Authorised Officer, the reduction, if any in the number of his cattle/domestic animals requiring administration of Intoxicating Drugs and get the quota of the same in his permit reduced accordingly.

8. The permit holder shall surrender the permit and the unused stock of Intoxicating Drugs to the Deputy Commissioner in case the cattle/domestic animals requiring the administration of Intoxicating Drugs no longer require it or cease to exist.

9. The permit will be non-transferable and may be suspended or cancelled in accordance with the provisions of the Mysore Prohibition Act, 1961.

10. In case the permit is suspended or cancelled during its currency or is not renewed on its expiry, or the Intoxicating Drug is not required for the reasons mentioned in condition 8 above, the whole of the unused stock of Intoxicating Drug shall forthwith be surrendered to the Deputy Commissioner who may dispose off the same or in his discretion in any manner that he thinks fit.

Granted this .... day of .... 19.....
Seal

Signature of the Deputy Commissioner
of .... District.

SCHEDULE

(Here specify the kind, number and description of cattle or Domestic animals).

REVERSE OF THE PERMIT

Details of purchase of Intoxicating Drugs permit holder, from .... to ....

Date	Total quantity permitted to be brought during the period of the permit.	Quantity purchased	Running total of quantity purchased since the grant of permit.	Difference between the quantity allowed during the period of the permit and the running total (Column 4)	Signature of the licensed seller.

FORM M.P.G.B. IX

[*See* Rule 34 (*b*)]

Permit for Import of Intoxicating Drug/Medicine(s) containing Intoxicating Drugs.

(*COUNTERFOIL*)

(for office use)

Date..............

Sri/Smt./Kumari/Sarvashri .... s/are hereby authorised to Import the undermentioned goods from.......................

Exact description of goods	Total quantity to be Imported	Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drugs	Package	
			No.	Gross weight

This permit is granted under and subject to the provisions of the Mysore Prohibition Act, 1961, and the Rules, Regulations and Orders made thereunder and subject to the following conditions :

1. The consignment shall not be broken in transit.
2. This permit shall remain in force up to and including............

Deputy Commissioner
of..........District.

Permit for Import of Intoxicating Drugs/Medicine(s) containing Intoxicating Drugs.

(*DUPLICATE*)

Sl. No. Date..............

(To be forwarded to the Prohibition and or Excise Officer incharge of the place of Import)

Sri/Smt./Kumari/Sarvashri .... is/are hereby authorised to Import the undermentioned goods from....................

Exact description of goods	Total quantity to be Imported	Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drugs	Packages	
			No.	Gross weight

This permit is granted under and subject to the provisions of the Mysore Prohibition Act, 1961 and the Rules, Regulations and Orders made thereunder and subject to the following conditions :

1. The consignment shall not be broken in transit.
2. This permit shall remain in force up to and including............

Seal

Deputy Commissioner
of..........District.

Permit for import of Intoxicating Drugs/Medicine(s) containing Intoxicating Drugs.

(*TRIPLICATE*)

(To be forwarded to the Prohibition and/or Excise Officer of the place of Import)

Sl. No. Date..............

Sri/Smt./Kumari/Sarvashri ....
is/are hereby authorised to Import the undermentioned goods from................

Exact description of goods	*Total quantity to be Imported*	*Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drugs*	*Package*	
			No.	*Gross weight*

This permit is granted under and subject to the provisions of the Mysore Prohibition Act, 1961 and the Rules, Regulations and Orders made thereunder and subject to the following conditions :

1. The consignment shall not be broken in transit.
2. This permit shall remain in force up to and including...............

Deputy Commissioner
of..........District.

Seal

Permit for Import of Intoxicating Drugs/Medicine(s) containing Intoxicating Drugs.

(*QUADRUPLICATE*)

(To be handed over to the applicant to accompany the consignment and to be filed with Importer's account after verification).

Sl. No. Date.............

Sri/Smt./Kumari/Sarvashri ....
is/are hereby authorised to Import the undermentioned goods from............

Exact description of goods	*Total quantity to be Imported*	*Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drugs*	*Package*	
			No.	*Gross weight*

This permit is granted under and subject to the provisions of the Mysore Prohibition Act, 1961 and the Rules, Regulations and Orders made thereunder and subject to the following conditions :

1. The consignment shall not be broken in transit.
2. This permit shall remain in force up to and including...........

Deputy Commissioner
of..........District.

Seal

FORM M.P.G.B. X

[*See* Rule 35]

Permit for export of Intoxicating Drugs/Medicine(s) containing Intoxicating Drugs.

(*COUNTERFOIL*)

(for office use)

Sl. No. Date..............

Sri/Smt./Kumari/Sarvashri .... is/are hereby authorised to Export the undermentioned goods from......................

Exact description of goods	*Total quantity to be Exported*	*Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drug*	*Package*	
			No.	*Gross weight*

This permit is granted under and subject to the provisions of the Mysore Prohibition Act, 1961, and the Rules, Regulations and Orders made thereunder and subject to the following conditions :

1. The consignment shall not be broken in transit.
2. This permit shall remain in force up to and including...........

Deputy Commissioner
of..........District.

Permit for export of Intoxicating Drugs/Medicine(s) containing Intoxicating Drugs.

(*DUPLICATE*)

Sl. No. Date..............

(To be forwarded to the Prohibition and or Excise Officer incharge of he place of Export)

Sri/Smt./Kumari/Sarvashri .... is/are hereby authorised to Export the undermentioned goods from....................

Exact description of goods	*Total quantity to be Exported*	*Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drugs*	*Package*	
			No.	*Gross weight*

This permit is granted under and subject to the provisions of the Mysore Prohibition Act, 1961 and the Rules, Regulations and Orders made thereunder and subject to the following conditions :

1. The consignment shall not be broken in transit.
2. This permit shall remain in force up to and including...........

Seal

Deputy Commissioner
of..........District.

Permit for export of Intoxicating Drugs/Medicine(s) containing Intoxicating Drugs.

(TRIPLICATE)

(To be forwarded to the Prohibition and or Excise Officer of the place of export)

Sl. No. Date..............

Sri/Smt./Kumari/Sarvashri .... is/are hereby authorised to export the undermentioned goods from................

Exact description of goods	*Total quantity to be exported*	*Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drugs*	*Package*	
			No.	*Gross weight*

This permit is granted under and subject to the provisions of the Mysore Prohibition Act, 1961 and the Rules, Regulations and Orders made thereunder and subject to the following conditions :

1. The consignment shall not be broken in transit.
2. This permit shall remain in force up to and including................

Deputy Commissioner
of..........District.

Permit for export of Intoxicating Drugs/Medicine(s) containing Intoxicating Drugs.

(QUADRUPLICATE)

(To be handed over to the applicant to accompany the consignment and to be held with exporter's account after verification).

Sl. No. Date..............

Sri/Smt./Kumari/Sarvashri .... is/are hereby authorised to Export the undermentioned goods from............

Exact description of goods	*Total quantity to be exported*	*Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drugs*	*Package*	
			No.	*Gross weight*

This permit is granted under and subject to the provisions of the Mysore Prohibition Act, 1961 and the Rules, Regulations and Orders made therunder and subject to the following conditions :

1. The consignment shall not be broken in transit.
2. This permit shall remain in force up to and including............

Seal

Deputy Commissioner
of..........District.

FORM M. P. G. B. XI

[*See* Rule 36 (*b*)]

Permit for Transport of Intoxicating Drugs/Medicine(s) containing Intoxicating Drugs.

(*COUNTERFOIL*)

(for office use)

Sl. No. Date..............

Sri/Smt./Kumari/Sarvashri .... is/are hereby authorised to Transport the undermentioned goods from.......................

Exact description of goods	*Total quantity to be Transported*	*Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drugs*	*Package*	
			No.	*Gross weight*

This permit is granted under and subject to the provision of the Mysore Prohibition Act, 1961 and the Rules, Regulations and Orders made thereunder and subject to the following conditions :

1. The consignment shall not be broken in transit.
2. This permit shall remain in force up to and including............

Deputy Commissioner
of..........District.

Permit for Transport of Intoxicating Drugs/Medicine(s) containing Intoxicating Drug.

(*DUPLICATE*)

(To be forwarded to the Prohibition and or Excise Officer incharge of the place of Transport)

Sl. No. Date............

Sri/Smt./Kumari/Sarvashri .... is/are hereby authorised to Transport the undermentioned goods from.....................

Exact description of goods	*Total quantity to be Transported*	*Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drugs*	*Package*	
			No.	*Gross weight*

This permit is granted under and subject to the provision of the Mysore Prohibition Act, 1961 and the Rules, Regulations and Orders made thereunder and subject to the following conditions :

1. The consignment shall not be broken in transit.
2. This permit shall remain in force up to and including............

Deputy Commissioner
Seal *of..........District.*

Permit for transport of Intoxicating Drugs/Medicines(s) containing Intoxicating Drugs.

(*TRIPLICATE*)

(To be forwarded to the Prohibition and or Excise Officer of the place of transport)

Sl. No. Date..............

Sri/Smt./Kumari/Sarvashri ....
is/are hereby authorised to transport the undermentioned goods from...............

Exact description of goods	*Total quantity to be transported*	*Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drugs*	*Package*	
			No.	*Gross weight*

This permit is granted under and subject to the provisions of the Mysore Prohibition Act, 1961 and the Rules, Regulations and Orders made thereunder and subject to the following conditions :

1. The consignment shall not be broken in transit.

2. This permit shall remain in force up to and including...............

Deputy Commissioner
of.........District.

Pass for the transport of Intoxicating Drug/(Medicine(s containing Intoxicating Drugs.

(*QUADRUPLICATE*)

(To be forwarded to the Prohibition and or Excise Officer of the place of transport).

Sl. No. Date..............

Sri/Smt./Kumari/Sarvashri ....
is/are hereby authorised to transport the undermentioned goods from...........

Exact description of goods	*Total quantity to be transported*	*Total quantity of Intoxicating Drugs or Medicines containing Intoxicating Drugs*	*Package*	
			No.	*Gross weight*

This permit is granted under and subject to the provisions of the Mysore Prohibition Act, 1961 and the Rules, Regulations and Orders made thereunder and subject to the following conditions :

1. The consignment shall not be broken in transit.

2. This permit shall remain in force up to and including...........

Seal

Deputy Commissioner
of.........District.

FORM M. P. G. B. XII

[*See* Rule 44(b)]

Form of Authority.

I hereby appoint .... to by, possess and transport Intoxicating Drugs or Medicines containing the same on my behalf on my permit No. ....

Identification marks of the Agent.

Signature or Thumb impression of the Agent.

Signature or thumb impression of the
person giving the authority.

[No. HD 69 EFL 63]

By Order and in the name of the Governor of Mysore,

M. S. SHANKARA RAO,
Secretary to Government,
Home Department.

REVENUE SECRETARIAT

NOTIFICATION

Bangalore, dated the 18th September 1965.

G.S.R. 687.—The Governor of Mysore hereby makes the following further amendments in the Notification No. GAD 31 GRR 57, dated the 26th June 1960, as amended by the RD 6 MST 62, dated the 26th December 1963 sanctioning the establishment of the State service cadre in respect of the Endowments Branch of the Mysore General Services, namely:—

In the said Notification, under the heading Class II posts, after entries relating to the post of Special Tahsildar for the area comprised within the local limits of the City of Bangalore Municipal Corporation, the following entries shall be inserted, namely:—

1	2	3
Manager, Muzrai Assistant to the Deputy Commissioner, Bangalore (Rural) District and Muzrai Assistant to the Deputy Commissioner, Mysore District.	3	Rs. 250-20-350-25-500

The existing entry relating to the post of Manager as inserted in the notification dated 26th December 1963 is deleted.

[No. RD 31 MST 63.]

By Order and in the name of the Governor of Mysore,

V. A. GUMASTE, *Under Secy.*

NOTIFICATION.

Bangalore, dated 18th September 1965.

G.S.R. 688.—In exercise of the powers conferred by the proviso to Article 309 of the Constitution of India, the Governor of Mysore hereby makes the following further amendments to the Mysore General Services (Endowment Branch) (Recruitment) Rules, 1960, namely :—

(i) In the entries relating to the recruitment to the category of posts of Assistant Commissioner, Madras area, for the entry in Column-2, the following entry shall be substituted namely :—

"By promotion from the cadre of the Manager and Muzrai Assistants to the Deputy Commissioner, Bangalore (Rural) District and the Deputy Commissioner, Mysore District on the basis of Seniority-*cum*-merit."

(ii) After the entries relating to the category of posts of "Special Tahsildar for Muzrai for the area comprised within the local limits of the City of Bangalore Municipal Corporation" the following entries shall be inserted, namely :—

1	2	3
Manager Muzrai Assistant to the Deputy Commissioner, Bangalore (Rural) District, Muzrai Assistant to the Deputy Commissioner, Mysore District.	By promotion from the cadre of Superintendents on the basis of seniority-*cum*-merit.	Should have passed the Departmetnal examinations and comleted 5 years of service as Superintendent.

[No. RD 31 MST 63.]

By Order and in the name of the Governor of Mysore,

218

V. S. GUMASTE, *Under Secy.*

FINANCE SECRETARIAT.

NOTIFICATION.

Bangalore, dated the 18th September 1965.

G.S.R. 689.—In exercise of the powers conferred by the proviso to Article 309 of the Constitution, the Governor of Mysore is pleased to make the following rules further to amend the Mysore Civil Services Rules, namely,—

1. **Title.**—These rules may be called the Mysore Civil Services (Twenty-fifth Amendment) Rules, 1965.

2. **Amendment to Appendix II.**—(i) *For* the existing rule 9 of Appendix II to the Mysore Civil Services Rules, the following rule shall be substituted, namely,—

"9. The scholar will submit to Government annual progress reports and also a final report of training or studies through the Head of the Institution in the form prescribed in Annexure 'F'. Government will forward these reports to the Head of the Department concerned for scrutiny and such action as may be necessary ;

(ii) **Insertion of Annexure F to Appendix II** :

After Annexure 'E' of Appendix II to the Mysore Civil Services Rules, the following shall be inserted as Annexure 'F', namely,–

"ANNEXURE 'F'.

Annual / Final Report.

I Note to Scholars :

Please State the degree, if any, for which you are studying. The likely date of taking the degree should in all cases be mentioned. If you are not studying for a degree, please mention the likely date when you hope to complete the course of study you are pursuing. Where you have already taken a degree, please give the date of taking it, and state what you have been doing since taking the degree, and when you hope to complete the course or training you are undergoing at present. The report should be submitted in triplicate.

II. This report must be submitted through your professor or Supervising authority in charge.

Name in Block Capitals..................................File No..............

Name of the Scholarship Scheme...

Sponsoring Authority...

....

1. Date of arrival in the Country of study....................................

2. Subject for which selected..

3. *Course of study or training undertaken......................................

....

....

4. Degree sought / obtained : ....

5. Approximate date of degree award :..

6. Institution in which pursuing study / training :

....

7. *Course of study or training attended during period under review

....

....

....

8. *All examinations (including subjects) taken, with dates, and results(In the final examination the degree or diploma obtained should be with subjects taken, and honours, if any. The grades obtained in the final examination must be stated. Grades should be explained...

....

....

....

9. Any prizes or other Distinctions..

10. *For Scholars Taking Practical Training.*

Name of Concern	Date of joining	Stay to last until	Nature of training

(* If space provided is no stufficient, please attach additional sheet.)

11. This report covers period beginning from..........................
......and lasting up to...

Place ....
Date..

Scholar's Signature.

12. University or Institution Supervisor's Report on the work of the student during the period under review.

Date ....Signature...................................

13. To be filled in by the University or Institution Supervisor in the case of Final Report only.—

(a) Was academic and intellectual background of the Scholar found satisfactory;

(b) Any outstanding results achieved by him.

(c) Evaluation of Scholar's abilities and achievement.

(d) In which field or branch, in your opinion, the scholar is most suited to work, *viz.*, Laboratory, field work, industry, organisation.

(e) Your personal opinion regarding usefulness and value of scholarship whether or not scholar has fulfilled your expectations.

Date.......................... Signature of Supervisor/Professor

14. *Observations of the Education Department, Embassy of India*;

Date................. Signature of forwarding officer.......................

539

[No. FD 24 SRS 65.]

By Order and in the name of the Governor of Mysore

213 MIR IKRAMUDDIN ALI KHAN, *Under Secy.*

NOTIFICATION.

Bangalore, dated 18th September, 1965.

G. S. R 690.—In exercise of the powers conferred by the proviso to Article 309 of the Constitution, the Governor of Mysore hereby makes the following rules further to amend the Mysore Commercial Tax Service (Recruitment) Rules, 1964, namely:—

1. **Title.**—These rules may be called the Mysore Commercial Tax Service (Third Amendment) Rules, 1965.

2. **Amendment of the Schedule.**—In the Schedule to the Mysore Commercial Tax Service (Recruitment) Rules, 1964, for the entries, under the sub-heading "For promotion" in column 3 relating to the category of post of I Division Clerks, the following entries shall be substituted, namely:—

"For promotion:

(i) Should have passed the prescribed departmental examinations;

(ii) Should have served for not less than five years in the cadre of II Division Clerk."

[No. FD 495 OSE 64.]

By Order and in the name of the Governor of Mysore,

215 N. J. GOREPEERZADE, *Under Secy.*

NOTIFICATION.

Bangalore, dated 17th September 1965.

G. S. R. 691.— In exercise of the powers conferred by the proviso to Article 309 of the Constitution, the Governor of Mysore is pleased to make the following rule further to amend the Mysore Civil Services Rules, namely,—

1. Title and Commencement.—These rules may be called the Mysore Civil Services (Twenty-sixth Amendment) Rules, 1965. They shall be deemed to have come into force with effect from 1st May 1964.

2. Amendment to Rule 527-C. In the formula below clause (ii) of Rule 527-C of the Mysore Civil Services Rules, for the figure and letters "**32** nP." the figure and letters "36 nP." shall be substituted.

540

[No. FD 27 SBS 65.

By Order and in the name of the Governor of Mysore,

216

MIR IKRAMUDDIN ALI KHAN, *Under Secy.*

LAW SECRETARIAT.

NOTIFICATION.

Bangalore, dated the 21st September 1965.

G.S.R 692.—In exercise of the powers conferred by clause (3) of Article 187 of the Constitution of India, the Governor of Mysore, after consultation with the Speaker, Legislative Assembly and the Chairman, Legislative Council, is pleased to make the following further amendments to the Mysore Legislature Secretariat (Recruitment and Conditions of Service) Rules, 1959, namely.—

In the said Rules,

1. In Rule 3, for the words and figures "Classes I, III and IV", the words and figures "Classes I, II, III, and IV" shall be substituted.

2. In sub-rule (1) of rule 8, for the words and figure "Appointment to the posts of Class I", the words and figures "Appointment to the posts of Classes I and II" shall be substituted.

3. In sub-rule (1) of rule 8B, for the word and figure "Class I", the words and figures "Classes I and II" shall be substituted.

4. In Schedule I, after the entries relating to Class I, the following heading and entry shall be inserted, namely:-

"Class II

Editor of Debates.	One.	300-20-400-25-600"

and the entries relating to "Editor of Debates" appearing under the heading "Class III" shall be deleted.

5. In Schedule III,—

(1) in Column 2 of Serial No. 2, after the word "Registrar", a comma and the words "Editor of Debates" shall be inserted, and

(2) in Column 2 of Serial No. 3, the words "Editor of Debates" shall be omitted.

V. V. GIRI,
GOVERNOR OF MYSORE.

[No. LAW 102 LGR 62.]

By Order and in the name of the Governor of Mysore,

R. A. RAMASWAMY,
Under Secy. to Government, L. D.

219

PLANNING, HOUSING AND SOCIAL WELFARE SECRETARIAT.

NOTIFICATION

Bangalore, dated the 21st September, 1965.

G. S. R. 693.—The following draft of the Mysore Children Rules, 1965, which the Government of Mysore proposes to make in exercise of the powers conferred by Section 100 of the Mysore Children Act, 1964, (Mysore Act, No. 19 of 1964), is hereby published as required by sub-section (1) of the said section for the information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the 15th October 1965.

Any objections or suggestions which may be received from any person by the Government in respect of the said draft before the aforesaid date will be considered by the Government. Objections or suggestions may be addressed to the Secretary to the Government of Mysore, Planning, Housing and Social Welfare Department, Vidhana Souhda, Bangalore-1.

1. *Short Title*:—These rules may be called the Mysore Children Rules, 1965.

2. *Definitions* :—In these rules unless the context otherwise requires—

(*a*) "Act" means the Mysore Children Act, 1964, (Mysore Act 19 of 1964).

(*b*) "Form" means a form appended to these rules.

(*c*) "Government" means the Government of Mysore.

(*d*) "Section" means a section of the Act.

(*e*) "Schedule" means a schedule to these rules.

3. *Recognition of Fit Person Institutions and approved places* :—(1) Any institution or association desiring to be recognised as a Fit Person Institution or approved place for

the reception of neglected children and Juvenile offenders, may make an application in writing to the Chief Inspector, who shall cause the institution to be inspected and shall make a report to the Government regarding the provision made in the institution for the boarding, lodging and general health of the inmates and the quality of the literacy made available.

(2) The Government may pass such orders as it deems fit on any application received under this rule.

4. *Registers to be maintained by Certified Schools, Fit Person Institutions and approved places* :—The Chief Inspector shall, subject to the general control of the Government, specify the registers and records to be maintained by the Managers of Certified Schools, Fit Person Institutions, and approved places in respect of Children Committed to such Schools, Institutions and places.

5. *Inspection by the Chief Inspector* :—The Chief Inspector may visit any Certified School or Fit Person Institution at any time, hear any complaints of the inmates and make suggestions to the Managers thereof.

6. *Duties of the Inspecting Staff* :—(1) Every Inspector and Assistant Inspector of Certified Schools shall, during his inspection of a Certified School or a Fit Person Institution give every child committed to the care of such school or institution, an opportunity to make any complaint or application to him which such a child may wish to make.

(2) Every such Inspector or Assistant Inspector shall, at the conclusion of his inspection, note in the Visitor's Book the fact that, he inspected the school or institution as the case may be, on a particular date.

(3) The Inspector and the Assistant Inspector shall submit to the Chief Inspector, a detailed report of his inspection.

(4) The Chief Inspector may, after considering the report submitted by the Inspector or the Assistant Inspec-

tor under sub-rule (3), communicate to the Certified School or Fit Person Institution, any suggestion he has to make or such suggestions as he may deem fit and necessary to be made.

7. *Educational Inspection* :—(1) In addition to the Inspectors and the Officers appointed under Section 35, the Government Educational Inspector of each......(The local area for which Inspectors are appointed has to be specified in consultation with the Education Department, if necessary, or the Assistant Educational Inspector authorised by him in this behalf shall also be an *ex-officio* Inspector of Certified Schools, within his........The Assistant Educational Inspector shall carry out purely educational inspection of Certified Schools whose educational curriculum is recognised to be in accordance with the curriculum approved by the Department of the Public Institution. He shall also carry out inspection of such Certified Schools within his..............as require recognition of the educational curriculum prescribed by them. He shall comply with such directions as the Chief Inspector may consider in it necessary to give him through the Director of Public Instruction in Mysore, Bangalore or Educational Inspector, as the case may be, and shall submit Inspection Reports of Certified Schools to the Chief Inspector through the Director of Public Instruction, or through the Educational Inspector and the Director of Public Instruction.

(2) Every such Inspector shall inspect the premises of each Certified School within his jurisdiction, see the Children and satisfy himself that all the registers pertaining to literary education are maintained according to the rules for the time being in force and that proper arrangements are made for the safe custody of all such records. Each year, he shall personally arrange for the examination of the literary classes of each such school and shall submit an inspection report of each school annually to the Director of Public Instruction together with any suggestions he may wish to make. The Director of Public Instruction shall forward such reports to the Chief Inspector.

8. *Remand or Committal of Juveniles to Custody.*—When a Child is taken charge of under Sub-section (1) of Section 38 or under Sub-section (1) of Section 67, he shall, unless he by an order of the Court under rule 18 is committed to the care or allowed to remain in the custody of his parent, guardian, relatives or fit person, be remanded to a Remand Home or kept in a place of safety until he can be brought before the Juvenile Court.

9. *Inspection of a place of Safety.*—(1) Any place of safety in which a child is detained shall be open to inspection by the District Magistrate or any Magistrate deputed by the District Magistrate. In all areas, place of safety shall be open to inspection by the Chief Inspector and his Inspecting staff.

(2) The occupier or manager of such place of safety shall give every facility to the Probation Officer, who vistis the Child for the purpose of making inquiries into the case.

10. *Manner of Detention of Children not committed to the Remand Home or Certified School.*—(1) Any child sentenced to imprisonment under sub-section (2) of section 62 shall be kept in the 'juvenile section to be specially provided and located away from adult criminals in every prison.

(2) No child shall be handcuffed or roped while in custody or while he is being escorted to Court or Hospital or to the place of safety, as the case may be, and he shall not be accompanied by a Police Officer in uniform.

11. *Application for Recognition of Societies for Appointment of Probation Officers.*—Any Society desiring to be recognised under sub-section (2) of section 35 may apply to the Government in writing through the Chief Inspector of Certified Schools.

12. *Appointment of Voluntary Probation Officers.*—For purpose of sub-section (3) of section 35, the District

Magistrate in every District may keep a list of social workers for appointment as voluntary Probation Officers by the competent Court.

13. *Duties of Probation Officers.*—(1) A Probation Officer shall carry out all directions given to him by the Court and perform the following duties :—

(i) to make initial inquiries regarding the home and school conditions and conduct, character, antecedents and health of the children under his supervision ;

(ii) to attend regularly the court and submit his report ;

(iii) to keep diary, case files and registers ;

(iv) to visit regularly children placed under probation and supervision and also places of employment or school attended by such children, and to submit regular monthly reports ;

(v) to take children, wherever possible, from court or remand home to certified schools or fit person institutions ;

(vi) to bring before the Court immediately the children who have not been of good behaviour during the period of supervision ;

(vii) to advise and give guidance to the children placed under supervision or released on license and to endeavour to find them employment ;

(viii) to run recreation clubs ; and

(ix) to perform any other duty which may be specified by the Court or any releasing authority in respect of children under his supervision.

(2) A Probation Officer shall not employ a child or youthful offender placed under his supervision for his own private purposes or take any private service from him.

14. *Procedure to be followed by the Juvenile Court or other competent Court.*—(1) The proceedings of the Juvenile Court or any other competent court shall be informal. The police officers shall not appear in the said Courts in uniform. Usage of certain expressions such as sentence, conviction and accused may be avoided.

(2) The Juvenile Court shall ordinarily hold its sittings in the Remand Home wherever they exist. Subject to such directions as the Government may give in this behalf, the District Magistrate may determine the place at which, the day on which and the manner in which a Juvenile Court may hold its sittings where there are no Remand Homes.

15. *Medical opinion regarding age and physical and mental condition of children.*—In every case concerning a child, the court shall obtain medical opinion regarding his age and his physical and mental conditions and when passing orders in such a case shall, after taking into consideration the medical opinion and such other evidence as may be available, record a finding in respect of his age.

16. *Supply of information regarding children by Courts.*—(1) Whenever the Court orders a child to be detained in Certified School or fit person institution, it shall forward to the Managers, Superintendents of such school or institution, a copy of its judgment, if any, or order, together with information regarding the age and address of the child, if known, and any particulars of his home and previous record, that may have been discovered.

2. The Officer-in-charge of the place of safety or the Police Station concerned, shall on the issue of orders by a Court for the detention of a Juvenile in a Certified School or Fit Person Institution, forward to the Manager/Superintendent of such school or institution copies of any record he may have of the Juvenile's previous history.

17. *Contribution of parents or other persons.*—(1) The Court making an order under sub-section (1) of Section 78

may direct the parent or other person liable to maintain the child or Juvenile offender, to pay in Court, in advance, in the beginning of each month such sum of money as the Court may think fit, not exceeding fifty rupees in the whole per mensem towards the maintenance of such child or Juvenile offender.

(2) All such recoveries shall be credited by the Court into a Government Treasury as Miscellaneous Receipts of the Government.

18. *Manner in which a child or juvenile offender may be committed to the care of a parent, guardian, relative or other fit person.*—(1) The Court making an order committing a child or Juvenile offender to the care of, or allowing a child to remain in the custody of a parent, guardian, relative or other fit person, as the case may be under Sections 41 (1), 60(*b*) and 70(*b*) may direct such parent, guardian, relative or person to excute a bond in the form specified in Schedule I with or without sureties and in such sum of money as to Court may think fit, to keep him under proper care and control and to be responsible for his good behaviour. In addition to the conditions specified in the form of the bond as in Schedule I, the Court may impose such other conditions as it may think fit for securing that the child or Juvenile offender, as the case may be, may lead an honest and industrious life.

(2) Where a child or juvenile offender has been placed under the supervision of a probation officer, the Court shall impose a condition that all necessary assistance may be rendered by the parent, guardian, relative or other person, as the case may be, to the Probation Officer to enable him to carry out the duties of supervision.

(3) When a child or juvenile offender has been ordered to be sent on his own bond back to a relative or fit person to his native place under Section 42 or 64 or 73 the Court shall take his bond in the form specified in Schedule II.

19. *Release on license under Section* 80.—(1) A child detained in a Certified School or Fit Person Institution shall not be released by the Chief Inspector under sub-section (1) of section 80 except on the conditions specified in a license in the form specified in Schedule III.

(2) On the release of any child on license by order of the Chief Inspector under sub-rule (1) Information shall be sent by the school or institution to the committing Court of the actual date of release of the child.

20. *Detention of escaped children.*—When a child absconding from a Certified School or Fit Person Institution has been arrested at a different place, he shall be detained in a place of safety pending his removal to the Certified School or Fit Person Institution.

21. *Short leave of absence to inmates of Certified Schools and Fit Person Institutions.*—(1) The Manager, Superintendent of a Certified School or Fit Person Institution may, on sufficient cause being shown to his satisfaction, grant permission in writing to an inmate to absent himself for short period not exceeding fifteen days in aggregate in the year, exclusive of the time required for going to and returning from the destination for the purpose of visiting the parents or relations :

Provided that as far as possible the previous consent of the Chief Inspector shall be obtained for granting leave exceeding a week at a time.

(2) The permission granted under sub-rule (1) may at any time be cancelled by an order in writing by the Manager/Superintendent and the inmate may be recalled by him without giving any reasons therefor.

(3) The Chief Inspector on the application of a parent or a relative recommended by the Managers/Superintendents of Certified School or Fit Person Institution may, in selected cases, grant vacation leave up to six weeks, excluding the days of journey at a time, to inmates from Certified School or Fit Person Institution. Such permission

may be cancelled by the Chief Inspector by an order in writing and the inmate may be recalled by him without giving any reasons therefor.

(4) The time during which an inmate is absent from the School or Fit Person Institution under sub-rule (1) or (3) shall be deemed to be part of the time of the detention in the school or institution.

(5) If any inmate fails to return to the school or institution after the expiry of the period permitted under sub-rule (1) or (3) or when recalled under sub-rule (2) or (3), the Manager/Superintendent shall report the matter to the Chief Inspector and any Police Officer may, on the application in writing of such Manager/Superintendent or Chief Inspector arrest the inmate without warrant and send him back to the school or institution.

(6) The time which elapses after the failure of inmate under sub-rule (5) to return to the school or institution, shall be excluded in computing the time of detention in the school or institution.

(7) Any parent or guardian contributing towards the maintenance of the child in a Certified School or Fit Person Institution by an order passed by a Court under sub-section (1) of section 78, shall be exempt from the payment of such contribution for the period during which the child is absent from the institution under sub-rule (1) or (3).

22. *Applications for the recognition of societies and after-care organisations*.—Any society desiring to be recognised under sub-section (2) of section 35 or any after-care organisation desiring to be recognised under sub-section (1) of section 82, may make an application in writing to the Chief Inspector who shall cause the society or organisation to be inspected and forward a report to the Government regarding the provision made in the society or organisation for the boarding, lodging, general health and the arrangements made for providing training and employment facilities to the discharged inmates of Certified Schools and Fit Person Institutions for the purpose of enabling them to lead an honest, industrious and useful life. The Government

may pass such orders as it deems fit on the recommendation made by the Chief Inspector under this rule.

23. Way expenses of escorts and of children sent from the Remand Home to Certified School or Fit Person Institution, as the case may be, or from the Remand Home and Certified School on release on license, or discharge, or leave or repatriation, shall be met, from the provision made in the respective institutions and shall be governed by the rules regulating the payment of travelling allowance and daily allowance applicable to them.

24. *Repeal and Savings.* The Mysore Children Rules, 1958, as in force in the Mysore Area, the Bombay Children Rules, 1950, the Bombay Children (Management of Remand Homes maintained by District Associations) Rules, 1955 and the Bombay Children (Management of Cerified Schools) Rules, 1956, as in force in the Bombay area, Rules under the Madras Children Act, 1920, as in force in the Madras Area, the Hyderabad Children Rules, 1952, as in force in the Hyderabad Area and all other rules in force in any Area of the State immediately before the commencement of these rules relating to this subject are hereby repealed:

Provided that anything done or any action taken under any of the rules so repealed shall, unless such thing or action is inconsistent with any of the provisions of these rules, be deemed to have been done or taken under the corresponding provisions of these rules :

Provided further that the provisions of sections 8 and 24 of the Mysore General Clauses Act, 1899 (Act 111 of 1899) shall be applicable in respect of repeal of the said rules as if the rules has been repealed and re-issued.

[No. PHS 38 SJD 64.]

By Order and in the name of the Governor of Mysore,

M. VASUDEVA RAO,
Secretary.

or person in whose custody/to whose care............has been allowed to remain/ordered to be committed by the................Junvenile Court/ Magistrate..............have been directed by the Juvenile Court/ Magistrate to execute a bond in the sum of Rs...............(Rupees.... ....) with one surety*/two sureties, I hereby bind myself on the said.......................being allowed to remain in my custody/committed to my care, I shall have the said............properly taken care and I do further bind myself to be responsible for the good behaviour of the said................and to observe the following conditions for a period of..............years commencing from :—

(1) That I shall not change my place of residence without giving previous intimation in writing to the Court through the Probation Officer.

(2) that I shall not remove the said............from the limits of the Jurisdiction of the Court without previously obtaining the written permission of the Court ;

(3) that I shall send the said............†daily to school/to such daily work as is approved by the Court, unless prevented from so doing by circumstances beyond my control ;

(4) that I shall report immediately to the Court through the Probation Officer, if the said............misbehaves or absconds from custody.

(5) that I shall produce the said............before the Court whenever so required by the Court ;

(6) that I shall render all necessary assistance to the‡ Probation Officer to enable him to carry out the duties of supervision ;

¶ (7)
¶ (8)
¶ (9)

§ (10) In the event of my making default herein, I bind myself to forfeit to the Government for the purposes of the State the sumof Rs..... ....(Rupees..........................)

Dated this the...........day of...........19....

Before me

(Signed.)
Signature of person executing the bond (Where a bond with sureties is to be executed add.)

I/We..........(here enter the matter contained at page 9 of the Bombay Children Rules, 1950).

Omit where no surety is required.

To be retained in the case of a child or juvenile offender of school age.

These words should be omitted if the supervision by a probation Officer has not been ordered.

The additional conditions, if any, by the Court may be entered. numbering them properly.

To be re-numbered where necessary.

SCHEDULE II.

[*Sub-Rule* (3) *of Rule* 18.]

BOND TO BE SIGNED BY A CHILD OR YOUTHFUL OFFENDER WHO HAS BEEN REPATRIATED OR SENT TO A RELATIVE OR A FIT PERSON TO HIS NATIVE PLACE.

WHEREAS I,............................ .... inhabitant of............. ..have been ordered to be repatriated or sent back to my native place by the Juvenile Court/Magistrate of............ ..... under sub-section....................of Section.................... of Mysore Children Act, 1964, on my entering into a bond to observe the conditions mentioned herein below, Now, therefore, I do solomnly promise to abide by these conditions during the period specified in the Order made by the Court.

I hereby bind myself as follows :—

(1) That during the period of ....I shall not leave the.............. ...place of a relative or fit person ....in which I am repatriated or sent and shall not returns to.. ....or go anywhere else.

(2) That during the said period I shall attend work/School in the place to whcih I am repatriated or sent.

(3) That I shall be of good behaviour and shall not in any way commit any breach of conditions laid down in this bond and accepted by me.

(4) That during the period specified in the Order I shall particularly observe the following conditions :—

(*a*) That I shall accept the guidance and assistance of the relative or fit person to whom I am repatriated or sent or to whose care and custody, I am entrusted as named in the Order and will obey the directions given to me from time to time by the said person ;

(*b*) That I shall not play truant from home, school, work, or place to which I am repatriated or sent ;

(*c*) That I shall live honestly and peaceably and will endeavour to earn and an honest livelihood/attend school regularly and obey the authorities and shall not change my employment/School without the permission of the relative or fit person to whom I am repatriated or sent.

(*d*)

(*e*)

(*f*)

In case of my making default in observing any of the conditions specified above, I shall on any re-appearance before the Court receive such order as the Court deems fit.

Signature or mark of.............

SCHEDULE III.

[*See* Rule 19(1)]

FORM OF ORDER OF RELEASE ON LICENSE

I, ..., Chief Inspector of Certified Schools, State of Mysore, Bangalore, do by this license, permit..son/daughter of ...., Caste.... Residence... Register Number...............................who was ordered to be detained in a Certified School by the.......................Court under section ....of the Mysore Children Act, 1964, for a term of.........................years on the ....day of..................19..., and who is now detained in the............ school at .... to be discharged from the said school on condition that he/she be placed under the care, supervision and authority of the Secretary/Society/Advosory Board/Probation Officer/Superintendent, during the remaining portion of the aforesaid period detention.

This license is granted subject to the conditions endorsed hereon, upon the breach of any of which, it shall be liable to be revoked.

Chief Inspector of Certified Schools
State of Mysore, Bangalore.

LAW SECRETARIAT.

NOTIFICATION

Bangalore, dated the 27th September 1965.

G. S. R. 694.—In exercise of the powers conferred by Clause (1) of Article 299 of the Constitution, the Governor of Mysore, hereby makes the following further amendment to Notification No. LAW 61 LGN 61, dated the 6th December 1961, namely :—

In the said Notification, in the entries relating "Part VI. In the case of the Finance Department", after entry 15, the following entry shall be inserted, namely :—

"15A. Instruments relating to assignment of Insurance Policies in favour of the Governor of Mysore, in accordance with the rules relating to the Mysore General Provident Fund from which the policy is financed.	By the Accountant General, Mysore, Bangalore."

V. V. GIRI,
Governor of Mysore.

[No. LAW 43 LGN 65.]

By Order and in the name of the Governor of Mysore,

R. SANJEEVALU, *Secretary.*

PUBLIC HEALTH, LABOUR AND MUNICIPAL ADMINISTRATION SECRETARIAT.

NOTIFICATION.

Bangalore, dated the 27th September 1965.

G.S.R. 695.—The draft of the following rules further to amend the Mysore Municipalities (Election of Councillors) Rules, 1965 which the Government of Mysore proposes to make in exercise of the powers conferred by Sections 38 and 323 of the Mysore Municipalities Act, 1964 (Mysore Act 22 of 1964) is hereby published as required by sub-section (1) of Section 38 and 323 of the said Act for the information of persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the 8th November 1965.

Any objection or suggestion which may be received from any person with respect to the draft rules by the State Government before the date specified above will be considered by the Government. Objections or suggestions may be addressed to the Secretary to the Government of Mysore, Public Health, Labour and Municipal Administration Department, Vidhana Soudha, Bangalore-1.

DRAFT MYSORE MUNICIPALITIES (ELECTION OF COUNCILLORS) SECOND (AMENDMENT) RULES, 1965.

1, **Title.**—These rules may be called the Mysore Municipalities (Election of Councillors) (Second Amendment) Rules, 1965.

2. **Amendment of rule 2.**—In sub-rule (2), of rule 2 of the Mysore Municipalities (Election of Councillors) Rules, 1965:—

(i) in clause (a), for the words "a mark" the words "his thumb mark" shall be substituted;

(ii) in clause (b) for the word "mark" occurring in two places, the words "thumb mark" shall be substituted.

[No. PLM 33 MLR 65.]

By Order and in the name of the Governor of Mysore,

B. VENKATARAMIA,
Deputy Secretary (Special).

221

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

section 45, where such shares form part of the initial issue of equity share capital made by the company aftar the 31st day March, 1964, for a period of five successive assessment years commencing with the assessment year next following the date on which such company commences the operations for which it has been established;";

(*ii*) for Part I of the Schedule, the following Part shall be substituted, namely:—

PART I

Paragraph

(*a*) In the case of every individual :—

	Rate of tax
(*i*) on the first rupees one lakh of net wealth ...	*Nil*
(*ii*) on the next rupees four lakhs of net wealth ...	0.5%
(*iii*) on the next rupees five lakhs of net wealth ...	1.0%
(*iv*) on the next rupees ten lakhs of net wealth ...	2.0%
(*v*) on the balance of net wealth ...	2.5%

(*b*) In the case of every Hindu undivided family :—

(*i*) on the first rupees two lakhs of net wealth ...	*Nil*
(*ii*) on the next rupees three lakhs of net wealth	0.5%
(*iii* on the next rupees five lakhs of net wealth ...	1.0%
(*iv*) on the next rupees ten lakhs of net wealth ...	2.0%
(*v*) on the balance of net wealth ...	2.5%

(*c*) In addition, in the case of every individual and Hindu undivided family, where the net wealth of the individual or Hindu undivided family includes the value of any asset, being building or land (other than business premises), or any right in such building or land, situated in any area falling in category A or Category B or Category C or Category D specified in rule 2 of Paragraph B, tax at the following rate or rates computed with reference to the value of such assets determined in accordance with rule 1 of the said Paragraph B:—

(*i*) where the total value of such assets as determined under Paragraph B does not exceed rupees two lakhs	*Nil.*
(*ii*) where the total value of such assets as determined under Paragraph B exceeds rupees two lakhs but does not exceed rupees seven lakhs.	1% of the amount by which the total value of such assets as so determined exceeds rupees two lakhs.

(*iii*) where the total value of such assets as determined under Paragraph B exceeds rupees seven lakhs but does not exceed rupees twelve lakhs	Rs 5,000 *plus* 2% of the amount by which the total value of such assets as so determined exceeds rupees seven lakhs.
(*iv*) where the total value of such assets as determined under Paragraph B exceeds rupees twelve lakhs but does not exceed rupees seventeen lakhs.	Rs. 15,000 *puls* 3% of the amount by which the total value of such assets as so determined exceeds rupees twelve lakhs.
(*v*) where the total value of such assets as determined under Paragraph B exceeds rupees seventeen lakhs.	Rs. 30,000 *puls* 4% of the amount by which the total value of such assets as so determined exceeds rupees seventeen lakhs.

Explanation.—For the purposes of this part "business premises" means any building or land or part of such building or land, or any right in building or land or part thereof, owned by the assessee and used throughout the previous year for the purposes of his business or profession, and includes any building used for the purpose of residence of persons employed in the business or any building used for the welfare of such persons as a hospital, creche, school, canteen, library, recreational centre, shelter, rest-room or lunch-room.

Paragraph B

Rule 1.—The total value of assets for the purposes of clause (*c*) of Paragraph A shall be determined as being the aggregate amount by which the value of such, assets, included in the net-wealth of the individual or Hindu uudivided family, which are situated in any area falling in the category specified in column 1 here under exceeds the amount specified thereagainst in column 2:—

Category of area (1)	Amount (2)
A	Rs. 5,00,000
B	The amount by which the value of such assets situated in any area falling in Category A falls short of Rs. 5,00,000, or an amount of Rs. 4,00,000, whichever is less.

(1)	(2)
C	The amount by which the aggregate of the value of such assets situated in any area falling in Category A or Category B falls short of Rs. 5,00,000, or in a case where there is no such asset situated in an area falling in Category A, the amount by which the value of such assets situated in any area falling in Category B falls short of Rs. 4,00,000, or, in either case, an amount of Rs. 3,00,000, whichever is less.
	The amount by which the aggregate of the value of such assets situated in any area falling in Category A or Category B or Category C falls short of Rs. 5,00,000, or, in a case where there is no such asset situated in an area falling in Category A, the amount by which the aggregate of the value of such assets situated in any area falling in Category B or Category C falls short of Rs. 4,00,000, or, in a case where there is no such asset situated in an area falling in Category A or Category B, the amount by which the value of such assets situated in any area falling in Category C falls short of Rs. 3,00,000, or, in each case, an amount of Rs. 2,00,000, whichever is less.

Rule 2.—For the purposes of this Part, all cities and towns in India, the population of which, including the population of the contiguous municipalities and cantonments according to the census held in the year 1961—

(*i*) exceeds sixteen lakhs shall be treated as falling in Category A;

(ii) exceeds eight lakhs but does not exceed sixteen lakhs shall be treated as falling in Category B;

(iii) exceeds four lakhs but does not exceed eight lakhs shall be treated as falling in Category C; and

(iv) exceeds one lakh but does, not exceed four lakhs shall be treated as falling in Category D'

71 *Amendment of Act* 18 *of* 1958.—In the Gift-tax Act, 1958,—

(*i*) in section 5, in sub-section (1), after clause (*v*), the following clause shall be inserted, namely:—

"(*va*) (*i*) to such temple, mosque, gurdwara, church or other place as has been notified by the Central Government for the purposes of sub-section (6) of section 88 of the Income-tax Act, 1961;(43 of 1961.) or

(*ii*) by way of settlement on trust, of property the income from which, according to the deed of settlement, is to be used exclusively in connection with the temple, mosque, gurdwara, church or other place specified therein and notified as aforesaid;",

(*ii*) in Chapter IV, after section 18, the following section shall be inserted, namely:—

"*18A. Credit for stamp duty paid on instrument of gift.*—Where any stamp duty has been paid under any law relating to stamp duty in force in any State on an instrument of gift of property in respect of which the gift-tax payable exceeds one thousand rupees, the assessee shall be entitled to a deduction from the gift-tax payable by him of an amount equal to the stamp duty so paid or one-half of the sum by wihch the gift-tax payable, before making the deduction under this section, exceeds one thousand rupees, whichever is less."

72 *Amendment of Act 63 of* 1960.—In the Preference Shares (Regulation of Dividends) Act, 1960,—

(*i*) in section 2,—

(*a*) in clause (b), for the words, brackets, figures and letters "clause (*7A*) of section 2 of the Indian Income-tax Act, 1922 (11 of 1922) and includes a company referred to in sub-clause, (*ii*) of clause (*5A*)", the following shall be substituted, namely:—

"clause (26) of section 2 of the Income-tax Act, 1961 (43 of 1961) and includes a company referred to in sub-clause (*ii*) of clause (17)";

(*b*) in clause (c), the words, figures and letters "having been issued and subscribed for before the 1st day of Apirl, 1960" shall be omitted;

(*c*) in clause (d), for the words and figures "Indian Income-tax Act, 1922" (11 of 1922) the words and figures Income-tax Act, 1961" 43 of 1961 shall be substituted;

(*ii*) in section 3,—

(*a*) in sub-section (1) and in sub-section (3), after the words "preference share of a company", the words, figures and letters "issued and subscribed for before the 1st April, 1960" shall be inserted ;

(*b*) in sub-section (2), after the words, figures and letters "after the 31st March, 1959",. the words, figures and letters and before the 1st April, 1960" shall be inserted;

(c) in sub-section (4), after the words "preference share", the words, figures and letters "issued and subscribed for before the 1st April, 1960" shall be inserted;

(d) in sub-section (6),—

(*i*) after the words "in this section", the words, figure and letter "and section 4A', shall be inserted;

(*ii*) for the words, brackets, figures and letter sub-section (3D)of section 18 of the Indian Income-tax Act, 1922", (11 of 1922) the words and figures "section 194 of the Income-tax Act, 1961" (43 of 1661) shall be substituted;

(*iii*) in section 4.—

(*a*) for the words "Where any preference share has been issued by a company any portion of the profits and gains of which", the following shall be substituted, namely:—

"Where any preference share of a company has been issued and subscribed for before the 1st April, 1960, and any portion of the profits and gains of the company";

(*b*) for the words and figures "Indian Income-tax Act, 1922", (11 of 1922) the words and figures "Income-tax Act, 1961" (43 of 1961) shall be substituted;

(*iv*) after section 4, the following section shall be inserted, namely:—

"*4A. Deduction of income-tax*—Where the stipulated dividend in respect of a preference share of a company—

(*a*) is specified to be subject to income-tax and a deduction is made therefrom on account of the income-tax payable by the company, or

(b) is being paid subject to a deduction therefrom on account of the income-tax payable by the company,

not-withstanding the absence of any specification that the dividend would be subject to income-tax,

such deduction shall in no case exceed twenty-five per cent. of the stipulated dividend.";

(*v*) in section 6, for the words "this Act", the words and figures "section 3 or section 4" shall be substituted.

73. *Amendment of Act 52 of 1963.*—In section 32 of the Unit Trust of India Act, 1963,—

(*i*) in sub-section (1), for clause (*b*), the following clause shall be substituted, namely:—

'(*b*) where in the case of a unit holder, being an individual, the total income for any previous year as computed under the Income-tax Act, 1961 (43 of 1961.) before including therein the amount of qualifying dividend—

(*i*) does not exceed a sum of twenty thousand rupees, the qualifying dividend shall not be included in computing the total income of the unit holder for that year;

(*ii*) exceeds a sum of twenty thousand rupees, the qualifying dividend shall be included in computing the total income of the unit holder for that year, but he shall be entitled to a deduction from the amount of income-tax payable by him of a sum calculated at the rate of twenty-five per cent. on such qualifying dividend.

Explanation.—In this section, "qualifying dividend" means, where the income received by a unit holder from the Trust in respect of units does not exceed one thousand rupees, such income, and where such income exceeds one thousand rupees, a sum of one thousand rupees';.

(*ii*) in sub-section (2),—

(*a*) in clause (*a*), the word "and" shall be omitted;

(*b*) in clause (*b*), after the word "individual", the words "who is resident; and" shall be inserted;

(*c*) after clause (*b*), the following clause shall be inserted, namely.—

"(*c*) deduction of income-tax shall be made by the Trust from the income distributed by it to a unit holder, being an individual who is not resident in India at the rate of fifteen per cent. of such income.".

74. *Amendment of Act 7 of 1964.*—In the Companies (Profits) Surtax Act, 1964,—

(*i*) in section 18, the words "and super-tax" shall omitted;

(*ii*) in the First Schedule,—

(*a*) in clause (*xii*) of rule 1, the words "and super-tax", shall be omitted;

(*b*) in clause (*i*) of rule 2, the words "and super-tax" wherever they occur, shall be omitted, and for the word "super-tax" occurring in sub-clause (*b*), the word "income-tax" shall be substituted;

(*iii*) in the Third Schedule,—

(*a*) in Paragraph 1,—

(*i*) in the first proviso, for the words "of manufacture or production of any one or more of the articles," the words "of construction, manufacture or production of any one or more of the articles or things" shall be substituted

(*ii*) in the second proviso, for the words "of manufacture or production of any article", the words "of construction, manufacture or production of any article or thing" shall be substituted;

(*iii*) after the second proviso, the following proviso shall be inserted, namely:—

"Provided further that where in the case of an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India—

(*i*) which is such a company as is referred to in section 108 of the Income-tax Act, and

(*ii*) whose paid up share capital (subscribed and paid for in cash) as on the last day of the previous year, is not less than twenty-five per cent.of the amount of the capital as computed under the Second Schedule to this Act,

the aggregate of—

(*a*) the amount of income-tax payable by the company in respect of its total income of the previous year under the provisions of the income-tax Act after making allowance for any relief, rebate or deduction in respect of income-tax to which the company is entiled under the provisions of the said Act or the annual Finance Act after deducting from such amount of income-tax the amount, if any, by which the rebate of income tax admissible to the company under the provisions of the annual Finance Act is, under the provisons of the said Act, reduced with reference to the face value of any bonus shares or the amount of any bonus issued by the company to its shareholders during the previous year or any previous year prior to that year; and

(*b*) the amount of surtax computed in accordance with the foregoing provisions of this Paragraph'

exceeqs the amount calculated at seventy per cent. of the total income of the company, the amount of such excess shall be deducted from the amount of surtax referred to in clause (*b*) above and the balance shall be the amount of the surtax payable by the company.";

(*b*) for Paragraph 2, the following Paragraph shall be substituted, namely:—

'2. The list of articles and things referred to in Paragraph 1 shall be as follows :—

(1) Iron and steel (metal), ferro-alloys and special steels.

(2) Aluminium, copper, lead and zinc (metals

(3) Coal, lignite, iron ore, banxite, manganese ore, dolomite, limeston, magnesite and mineral oil.

(4) Industrial machinery specified under the heading "8. Industrial machinery", sub-heading "A. Major items of specialised equipment used in specific industries", of the First Schedule to the Industries (Devlopment and Regulation) Act, 1951. (65 of 1951).

(5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.

(6) Flame and drip proof motors.

(7) Equipment for the generation and transmission of electricity including transformers, cables and transmission towers.

(8) Machine tools and precision tools (including their attachments and accessories, cutting tools and small tools), dies and jigs.

(9) Tractors, earth-moving machinery and agricultural implements.

(10) Motor trucks and buses.

(11) Steel castings and forgings and malleable iron and steel castings.

(12) Cement and refractories.

(13) Fertiliseres, namely, ammonium sulphate, ammonium sulphate nitrate (double salt), ammonium nitrate, calcium ammonium nitrate (nitrolime stone), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitro phosphate.

(14) Soda ash.

(15) Pesticides.

(16) Paper and pulp.

(17] Tea.

(18) Electronic equipment, namely, radar equipment, computers, electronic accounting and business machines, electronic communication equipment, electronic control, instruments, and basic compo-

nents, such as valves, transiestors, resistors, condensors, coils, magnetic materials and micro, wave components.

(19) Petrochemicals including corresponding products manufactured from other basic raw materials like calcium carbide, ethyl alcohol or hydrocarbons from other sources.

(20) Ships.

(21) Automobile ancillaries.

(22 Seamless tubes.

(23) Gears.

(24) Ball, roller and tapered bearings.

(25) Component parts of the articles mentioned in items Nos.(4), (5), (7) and (9), that is to say, such parts as are essential for the working of the machinery referred to in the items aforesaid and have been given for that purpose some special shape or quailty which would not be essential for their use for any other purpose and are in complete finished form and ready for fitment.

(26) Cotton seed oil'.

75. *Amendment of Act 32 of 1934.*—The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act) shall be amended in the manner specified in the Third Schedule.

76. *Surcharge on duties of customs.*—(1) in the case of goods chargeable with a duty of customs which is specified in the First Schedule to the Tariff Act as amended by this Act or any subsequent Act of Parliament, or in that Schedule read with any notification of the Central Government for the time being in force, there shall be levied and collected as an addition to, and in the same manner as, the total amount so chargeable, a sum equal to 10 per cent of such amount:

Provided that in computing the total amount so chargeable, any duty chargeable under section 2A of the Tariff Act or section 77 of this Act shall not be included.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1966 except as respects things done or omitted to be

done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed be a Central Act.

77. *Regulatory duty of customs.*—(1) With a view to regulating, or bringing greater economy in, imports there shall be levied and collected, with effect from such date, and at such rate, as may be specified in this behalf by the Central Governmet by notification in the official Gazette, on all or any of the goods mentioned in the First Schedule to the Tariff Act as amended by this Act or any subsequent Act of Parliament, a regulatory duty of customs not exceeding—

(a) 25 per cent of the rate, if any, specified in the said First Schedule read with any notification issued under section 3A or sub-section (1) of section 4 of the Tariff Act; or

(b) 10 per cent of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962 (52 of 1962.)

whichever is higher:

Provided that different dates and different rates may be specified by the Central Government for different kinds of goods

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1966 except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The regulatory duty of customs leviable under this section in respect of any goods referred to in sub-section (1) shall be in addition to any other duty of customs chargeable on such goods under the Customs Act, 1962 (52 of 1962).

(4) The provisions of the Customs Act, 1962 (52 of 1962.) and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

(6) All regulatory duties of customs levied under sub-section (1) of section 58 of the Finance Act, 1964 (5 of 1964) shall, subject to any notification issued under section 25 of the Customs Act, 1962 (52 of 1962) read withsub-section (4) of the said section 58, continue to have effect until the other provisions of this section come into force.

78. *Amendment of Act 1 of 1949.*—In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1965", the figures "1966" shall be substituted.

79. *Amendment of Act 1 of 1944.*—In the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), in the First Schedule,—

(a) in Item No. 4, under "II. *Manufactured tobacco*—", for sub-item (2), the following sub-item shall be substituted, namely:—

"(2) Cigarettes...One hundred per cent *ad valorem*.";

(b) in Item No. 26, for the entry in the third column, the entry "Sixty rupees per metric tonne." shall be substituted;

(c) in Item No. 26A, for the entries in the third column against sub-items (1) and (2), the entries "One thousand rupees per metric tonne." and "One thousand and five hundred rupees per metric tonne." shall, respectively, be substituted;

(d) in Item No. 26AA,—

(i) for the entry in the third column against each of the sub-items (i) and (ia), the entry "Forty-five rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.,, shall be substituted;

(ii) for sub-items (ii) and (iii), the following sub-items shall be substituted, namely:—

"(ii) Plates and sheets (including uncoated plates and sheets intended for tinning and forms such as ridges, channels, rain water pipes and their fittings made from plates or sheets, but not including plates and sheets after tinning), and hoops, all sorts, other than skelp and strips.	Three hundred rupees per metric tonne *Plus* the excise duty for the time being leviable on steel ingots.

(*iii*) Skelp and strips	Three hundred rupees per metric tonne *plus* the excise duty for the time being leviable on steel ingots.";"

(*e*) in Itme No. 27,—

(*i*) for the entry in the second column against sub-item (*b*), the entry "Manufactures, the following, namely, plates, sheats, circles and strips in any form or size, not otherwise specified." shall be substituted ;

(*ii*) for the entry in the second column against sub-item (*c*), the entry "Pipes and tubes, other than extruded pipes and tubes." shall be substituted ;

(*iii*) after sub-item (c), the following sub-item shall be inserted, namely:—

"(*d*) Extruded shapes and sections including extruded pipes and tubes.	Ten per cent *ad valorem*.";

(*f*) in Item No. 28, for the entry in the third column, the entry "Three hundred and seventy-five rupees per metric tonne' shall be substituted.

80. *Special duty of excise on certain goods.*—(1) When goods of the description mentioned in this section chargeable with a duty of excise under the Central Excises Act (as amended by this Act or any subsequent Act of Parliament) read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable, are assessed to duty, there shall be levied and collected—

(*a*) as respects goods comprised in Items Nos. 6, 8, 9, 14D, 22A, 23A, except sub-item (1) thereof, 23B, 28, 29, sub-times (2) and (3) of Item No. 31 and Item No. 32 of the First Schedule to the Central Excises Act, a special duty of excise equal to 10 per cent of the total amount so chargeable on such goods;

(*b*) as respects goods comprised in Items No. 2, 3 (1), sub-items I, II(2) and II(3) of Item No. 4, Items Nos. 13, 14, 14F, 15, 15A, 15B, 16, 16A, 17, 18A(2), 21, 22, 23, 23A(1), 27, 30, 31 (1), 33, sub-items (1), (3a) and (4) of item No. 34 and item No. 37 of that Schedule, a special duty of excise equal to 20 per cent of the total amount so chargeable on such goods, and

(c) as respects goods comprised in Items Nos. 4II(1), 18, 18A(1), 18B, 20, 29A, 33A, sub-items (2) and (3) of Item No. 34 and radiograms comprised in Item No.37A of that Schedule, a special duty of excise equal to 33⅓ per cent of the total amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1966, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such special duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder including those relating to refunds and exemptions from duties, shall as far as may be, apply in relation to the levy and collection of the duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

81. *Regulatory duty of excise.*—(1) With a view to regulating or bringing greater economy in consumption there shall be levied and collected, with effect from such date, and at such rate as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Central Excises Act as amended by this Act or any subsequent Act of Parliament a regulatory duty of excise which shall not exceed 15 per cent of the value of the goods as determined in accordance with the provisions of section 4 of the Central Excises Act:

Provided that different dates and different rates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1966, except as respects things done or omitted to be done before such cesses; and section 6 of the General Clauses Act, 1897(10 of 1897) shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such regulatory duties shall be levied for purposes of the union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply, in relation to the levy and collection of the regulatory duty of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

(6) All regulatory duties of excise levied under sub-section (1) of Section 62 of the Finance Act, 1964, (5 of 1964,) shall, subject to any notification issued under Rule 8 of the Central Excise Rules, 1944, read with sub-section (4) of the said section, continue to have effect until the other provisions of this section come into force.

82. *Discontinuance of salt duty.*—For the year beginning on the 1st day of April, 1965, no duty under the Central Excise Act, or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.

83. *Amendment of Act 58 of 1957.*—In the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957, in Item No. 4, under "11. *Manufactured tobacco*—", for sub-item 2), the following sub-item shall be substituted, namely:—

"(2) Cigarettes ... Twenty-five per cent. *ad valorem*"

THE FIRST SCHEDULE

(*See* section 2)

PART 1

Income-tax and surcharge on income-tax

Paragraph A

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub.clause (*vii*) of clause (*31*) of Section 2 of the Income tax Act, not being a case to which any other Paragraph of this Part applies—

Rates of Income.tax

(1) where the total income does not exceed Rs. 5,000	5 per cent. of the total income
(2) where the total income exceeds Rs. 5,000 but does not exceeds Rs. 10,000	Rs. 250 *plus* 10 per cent. of the amount by which the total income exceeds Rs. 5,000.
(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000	Rs. 750 *plus* 15 per cent. of the amount by which the total income exceeds Rs. 10,000.
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,500 *plus* 20 per cent. of the amount by which the total income exceeds Rs. 15,000.
(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000	Rs. 2,500 *plus* 30 per cent. of the amount by which the total income exceeds Rs. 20,000.
(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000	Rs. 4,000 *plus* 40 per cent. of the amount by which the total income exceeds Rs. 25,000.
(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000	Rs. 6,000 *plus* 50 per cent. of the amount by which the total income exceeds Rs. 30,000.
(8) where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000	Rs. 16,000 *plus* 60 per cent. of the amount by which the total income exceeds Rs. 50,000
(9) where the total income exceeds Rs. 70,000	Rs. 28,000 *plus* 65 per cent. of the amount by which the total income exceeds Rs. 70,000.

Provided that for the purposes of this Paragraph, in the case of a person, not being a non-resident—

(*i*) no income-tax shall be payable on a total income not exceeding the following limit, namely:—

(*a*) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following two conditions, namely:—

(*i*) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(*ii*) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(*b*) Rs. 3,000 in every other case;

(*ii*) where such person is an individual or a Hindu undivided family, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed:—

(a)	Rs. 100	in the case of an unmarried individual;
(b)	Rs. 175	in the case of a married individual who has no child wholly or mainly dependent on him or a Hindu undivided family which has no minor coparcener;
(c)	Rs. 195	in the case a married individual who has one child wholly or mainly dependent on him or a Hindu undivided family which has one minor coparcener wholly or mainly supported from the income of such family;
(d)	Rs. 215	in the case of a married individual who has more than one child wholly or mainly dependent on him or a Hindu undivided family which has more than one minor coparcener wholly or mainly supported from the income of such family;

(*iii*) where the total income is twenty thousand rupees or less, the income tax payable shall not exceed forty per cent. of the amount by which the total income exceeds the limit specified in sub clause (*a*) or, as the case may be, sub-clause (*b*) of clause (*i*) of this proviso.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union, which shall be equal to the aggregate of the sums computed as hereunder :—

(*a*) where —

(*i*) in the case of an individual or a Hindu undivided family, the amount of unearned income, not being income by way of interest on any security of the Central or State Government or income received in respect of units from the Unit Trust of India under the Unti Trust of India Act, 1963 (52 of 1963.) included in the total income, or

(*ii*) in any other case, the amount of unearned income, included in the total income

exceeds Rs. 15,000,

a sum calculated on the difference between the amount of income-tax computed in respect of the income referred to in sub-clause (*i*) or, as the case may be, sub-clause (*ii*), if such income had been the total income and the amount of income tax computed in respect of an income of Rs. 15,000 if it had been the total income, at the following rate, namely :—

(1) where the amount of the difference does not exceed Rs. 14,500	20 per cent of the amount of such difference.
(2) where the amount of the difference exceeds Rs. 14,500	Rs. 2,900 *plus* 25 per cent. of the amount by which the difference aforesaid exceeds Rs. 14,500.

(*b*) **Where**—

(*i*) in the case of an individual or a Hindu undivided family, the earned income and income by way of interest on any security of the Central or State Government and income received in respect of units from the Unit Trust of India under the Unit Trust of India Act, 1963 (52 of 1963) included in the total income, or

(*ii*) in any other case, the earned income included in the total income

Paragraph D

In the case of every local authority,—

Rate of income.tax

On the whole of the total income ... 45 per cent.

Surcharge on income.tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of ten per cent. of the amount of income-tax.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rate of income tax

On the whole of its profits and gains from life insurance business ... 47.5 per cent.

Paragraph F

In the case of every company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,—(31 of 1956),—

Rate of income-tax

On the whole of the total income 80 per cent ;

Provided that a rebate shall be allowed in the case of such companies on such income at such rate or rates as are specified hereunder :—

	Income on which rebate is to be allowed	Rate of rebate
In the case of a company which— (*a*) in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1965, has made the prescribed arrangements for the declaration and the payments within India of the dividends payable out of such income in accordance with the provisions of section 194 of that Act ; and (*b*) is such a company as is referred to in section 108 of the income-tax Act,—		
(*i*) where the total income does not exceed Rs. 25,000	on the whole of the total income	37.5 per cent
(*ii*) where the total income exeeds Rs. 25,000	(*a*) on so much of the total income as consists of profits and gains attributable to the business of generation or distribution of electricity or of construction, manufacture or production of any one or more of the articles of things specified in the list in Part III of this Schedule.	85 per cent

exceeds Rs. 1 lakh,

a sum calculated on the amount of **the difference** between the income-tax computed in respect of the income referred to in sub-clause (*i*) or, as the case may be, sub-clause (*ii*), if such income had been the total income and the income-tax computed in respect of a total income of Rs. 1 lakh, at the following rate, namely:—

(1) where the amount of the difference does not exceed Rs. 65,000	5 per cent of the amount of such difference.
(2) where the amount of the difference exceeds Rs. 65,000 but does not exceed Rs. 1,30,000	Rs. 3,250 *plus* 10 per cent of the amount by which the difference aforesaid exceeds Rs. 65,000.
(3) where the amount of the difference exceeds Rs. 1,30,000	Rs. 9,750 *plus* 15 per cent of the amount by which the difference aforesaid exceeds Rs. 1,30,000.

Paragraph B

In the case of every association of persons being a co operative society as defined in clause (19) of Section 2 of the Income-tax Act,—

Rates of income-tax

(1) where the total income does not exceed Rs. 5,000	5 per cent of the total income.
(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000	Rs. 250 *plus* 10 per cent of the amount by which the total income exceeds Rs. 5,000.
(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000	Rs. 750 *plus* 15 per cent of the amount by which the total income exceeds Rs. 10,000.
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000	Rs. 1,500 *plus* 20 per cent of the amount by which the total income exceeds Rs. 15,000.
(5) where the total income exceeds Rs 20,000 but does not exceed Rs. 25,000	Rs. 2,500 *plus* 25 per cent of the amount by which the total income exceeds Rs. 20,000.
(6) where the total income exceeds Rs. 25,000	Rs. 3,750 *plus* 41 per cent of the amount by which the total income exceeds Rs. 25,000:

Provided that—

(*i*) no income-tax shall be payable on a total income not exceeding Rs. 3,000, and (*ii*) where the total income is twenty thousand rupees or less, the income-tax payable shall not exceed forty per cent of the amount by which the total income exceeds Rs. 3,000.

Surcharge on income-tax

Where the total income exceeds Rs. 25,000 the amount of income-tax on such total income computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union of 6¼ per cent. of the amount of the difference between the income-tax so computed and the income-tax computed in respect of a total income of Rs. 25,000.

Paragraph C

In the case of every registered firm,—

Rates of income-tax

(1) where the total income does not exceed Rs. 25,000.	*Nil*
(2) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000	6 per cent of the amount by which the total income exceeds Rs. 25,000.
(3) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000	Rs. 1,500 *plus* 8 per cent of the amount by which the total income exceeds Rs. 50,000.
(4) where the total income exceeds Rs. 1,00,000	Rs. 5,500 *plus* 12 per cent of the amount by which the total income exceeds Rs. 1,00,000.

Surcharge on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union of twenty per cent. of the amount of income-tax ;

Provided that in the case of a registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent. of such total income, the amount of surcharge for purposes of the Union computed at the rate hereinbefore specified shall be reduced by one-half of such amount.

	Income on which rebate is to be allowed	Rate of rebate
	(*b*) on the balance of the total income	30 per cent.
II In the case of a company which— (*a*) satisfies condition (*a*) of item I hereinabove, and (*b*) is not such a company as is referred to in section 108 of the Income-tax Act,—		
(*i*) in the case of a company which is wholly or mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining.	(*a*) on so much of the total income as consists of profits and gains attributable to the business of generation or distribution of electricity or of construction, manufacture or production of any one or more of the articles or things specified in the list in Part III of this Schedule—	
	(*i*) on so much of the profits and gains aforesaid as do not exceed Rs. 10 lakhs	35 per cent
	(*ii*) on the balance of the profits and gains aforesaid	26 per cent
	(*b*) on any income other than the profits and gains referred to in (*a*) herein above	
	(*i*) on so much of such income as, together with the profits and gains referred to in (*a*) hereinabove, does not exceed Rs. 10 lakhs	30 per cent
	(*ii*) on the balance of such income	

	Income on which rebate is to be allowed	Rate of rebate
(*ii*) in any other case	(*a*) on so much of the total income as consists of profits and gains attributable to the business of generation or distribution of electricity or of construction, manufacture or production of any one or more of the articles or things specified in the list in Part III of this Schedule	26 per cent.
	(*b*) on the balance of the total income	20 per cent.
III. In the case of a company which in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1965, has not made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such income in accordance with the provisions of section 194 of that Act	(*a*) on so much of the total income as consists of royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern on or after the 1st day of April, 1961 and which has been approved by the Central Government	30 per cent.
	(*b*) on so much of the total income as consists of fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964 and which has been approved by the Central Government	30 per cent.
	(*c*) on the balance of the total income	15 per cent.

Provided further that—

(*i*) the amount of rebate arrived at under the preceding proviso in the case of a company referred to in item I or item II of that proviso shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts, as the case may be, computed as hereunder:—

(*a*) on the aggregate of the sums computed in the manner provided in clause (*i*) of the second proviso to paragraph D of Part II of the First Schedule to the Finance Act, 1964 (5 of 1964) as reduced by the amount, if any, which is deemed to have been taken into account, in accordance with clause (*ii*) of the said proviso, for the purpose of reducing the rebate mentioned in clause (*i*) of the said proviso to nil;	at the rate of 100 per cent.
(*b*) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital except where such bonus shares or bonus have been issued wholly out of the share premium account of the company after the 31st day of March, 1964;	at the rate of 12.5 per cent.

and

(*c*) in addition, in the case of—

(*i*) a company as is referred to in section 108 of the Income-tax Act, or

(*ii*) a company as is referred to in clause (*iii*) of sub-section (*2*) or sub-section (*4*) of section 104 of the said Act, or

(*iii*) such a company as is exempt from the operation of section 104 of the said Act by a notification issued under the provisions of sub-section (3) of that section,

which has declared or distributed to its share-holders during the previous year any dividends other than dividends on preference shares—

(A) in the case of a company which since the date of the commencement of its activities has declared or distributed any dividends for the first time during the previous year or any one of the four previous years immediately preceding such previous year—

on that part of the dividends other than dividends on preference shares which exceeds ten per cent. of the paid-up equity capital	at the rate of 7.5 per cent.

(B) in any other case—

on the whole amount of the dividend others than dividends on preference shares	at the rate of 7.5 per cent.;

(*ii*) where the sum arrived at in accordance with clause (*i*) of this proviso exceeds the amount of the rebate arrived at under the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (*a*), (*b*) and (*c*) of clause (*i*) of this proviso as is sufficient, in that order, to reduce the rebate to ***nil*** shall be deemed to have been taken into account for the purpose:

Provided further that the income-tax payable by a company, as is referred to in section 108 of the Income-tax Act, and the total income of which exceeds Rs. 25,000, shall not exceed the aggregate of—

(*a*) the income-tax which would have been payable by the company if its total income had been Rs. 25,000 (the income of Rs. 25,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company) ; and

(*b*) eighty per cent. of the amount by which its total income exceeds Rs. 25,000.

Explanation 1.—For the purposes of this Paragraph, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining, if the income attributable to any of the aforesaid activities included in its total income for the previous year is not less than fifty-one per cent. of such total income.

Explanation 2.—For the purposes of this Paragraph, where a part of the income of a company is not included in its total income because it is agricultural income, the amount declared or distributed as dividends (other than dividends on preference shares), the amount representing the face value of any bonus shares and the amount of any bonus issued to its shareholders shall each be deemed to be such proportion thereof as the sum specified in clause (*a*) bears to the sum specified in clause (*b*), such sums being—

(*a*) the average amount of the total income of the company in the five previous years in which it has been in receipt of taxable income immediately preceding the relevant previous year ; and

(*b*) the average amount of the total profits and gains (excluding capital receipts) of the company for the five previous years referred to in clause (*a*) reduced by such allowances as may be admissible under the Income-tax Act but which have not been taken into account by the company in its profit and loss accounts for the said five previous years.

Explanation 3.—For the purpose of sub-clause (*b*) of clause (*i*) of the second proviso, "share premium account" means an account forming a separate and identifiable part of the reserves of a company to which has been transferred a sum equal to the aggregate amount or value of the premiums on shares issued by the company.

Explanation 4.—For the removal of doubts it is hereby declared that where any dividends were declared by the company before the commencement of the previous year and are distributed by it during that year, no reduction in the rebate shall be made under sub-clause (*c*) of clause (*i*) of the second proviso in respect of such dividends.

PART II

Rates for deduction of tax at source in certain cases

In every case in which under the provisions of sections 193 to 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction, at the following rates :—

	Income-tax	
	Rate of income-tax	Rate of Surcharge
1. In the case of a person other than a company—		
(*a*) where the person is resident—		
on the whole income (excluding	18 per cent.	2 per cent

	Income-tax	
	Rate of income-tax	Rate of surcharge
interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government);		
(*b*) where the person is not resident in India—		
(*i*) on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government);	Income-tax at 25 per cent and surcharge at 5 per cent of the amount of the income income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Paragraph A of Part I of this Schedule, if such income had been the total income, whichever is higher.	
(*ii*) on the income from interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government.	12·5 per cent	2.5 per cent
In the case of a company—		
(*a*) where the company is either an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within		

	Income-tax	
	Rate of income-tax	Rate of surcharge
India,— on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government);	20 per cent	
(*b*) where the company is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India,—		
(*i*) on the income from dividends payable by an Indian company which is not such a company as is referred to in section 108 of the Income-tax Act and which is wholly or mainly engaged in the business of generation or distribution of electricity or of construction, manufacture or production of any one or more of the articles or things specified in the list in Part III of the Schedule;	15 per cent	*Nil*
(*ii*) on the income from dividends payable by any other Indian company or any company which has made the prescribed arrangements for the declaration and payment of dividends within India,	25 per cent	*Nil*

	Income-tax	
	Rate of income-tax	Rate of surcharge
(*iii*) on the income from royalties payable by an Indian concern in pursuance of an agreement which is made by it with the Indian concern on or after the 1st day of April, 1961. and which has been approved by the Central Government ;	50 per cent	*Nil*
(*iv*) on the income from fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1961 and which has been approved by the Central Government ;	50 per cent	*Nil*
(*v*) on the income from interest payable on any security of the Central Government issued or declared to be income-tax free, and interest payable on any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government ; and	40 per cent.	*Nil*.
(*vi*) on any other income	65 per cent.	*Nil*.

PART III

List of articles and things

(1) Iron and steel (metal), ferro-alloys and special steels.

(2) Aluminium, copper, lead and zinc (metals).

(3) Coal, lignite, iron ore, bauxite, manganese ore, dolomite, limestone, magnesite and mineral oil.

(4) Industrial machinery specified under the heading "8. Industrial machinery", sub-heading "A. Major items of specia-

lised equipment used in specific industries", of the First Schedule to the Industries (Development and Regulation) Act, 1951 (65 of 1951).

(5) Boilers and steam generating plants, steam engines and turbines and internal combustion engines.

(6) Flame and drip proof motors.

(7) Equipment for the generation and transmission of electricity including transformers, cables and transmission towers.

(8) Machine tools and precision tools (including their attachments and accessories, cutting tools and small tools), dies and jigs.

(9) Tractors, earth-moving machinery and agricultural implements.

(10) Motor trucks and buses.

(11) Steel castings and forgings and malleable iron and steel castings.

(12) Cement and refractories.

(13) Fertilisers, namely, ammonium sulphate, ammonium sulphate nitrate (double salt), ammonium nitrate, calcium ammonium nitrate (nitrolime stone), ammonium chloride, super phosphate, urea and complex fertilisers of synthetic origin containing both nitrogen and phosphorus, such as ammonium phosphates, ammonium sulphate phosphate and ammonium nitro phosphate.

(14) Soda ash.

(15) Pesticides.

(16) Paper and pulp.

(17) Tea.

(18) Electronic equipment, namely, radar equipment, computers, electronic accounting and business machines, electronic communication equipment, electronic control instruments and basic components, such as valves, transistors, resistors, condensors, coils, magnetic materials and micro wave components.

(19) Petrochemicals including corresponding products manufactured from other basic raw materials like calcium carbide, ethyl alcohol or hydrocarbons from other sources.

(20) Ships.

(21) Automobile ancillaries.

(22) Seamless tubes.

(23) Gears.

(24) Ball, roller and tapered bearings.

(25) Component parts of the articles mentioned in items Nos. (4), (5), (7) and (9), that is to say, such parts as are essential for the working of the machinary referred to in the items aforesaid and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose and are in complete finished form and ready for fitment.

(26) Cotton seed oil.

THE SECOND SCHEDULE

(*See* section 3)

Rates of Annuity Deposits

(*i*) In the case of any depositor whose total income does not exceed Rs. 15,000 ... *Nil.*

(*ii*) In the case of any depositor whose total income exceeds Rs. 15,000 but does not exceed Rs. 20,000—

5 per cent. of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed half the amount by which the total income exceeds Rs. 15,000.

(*iii*) In the case of a depositor whose total income exceeds Rs. 20,000 but does not exceed Rs. 40,000—

7½ per cent, of the adjusted total income:

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely :—

(*a*) an amount calculated at five per cent, on so much of the adjusted total income as does not exceed Rs. 20,000;

(*b*) one half of the amount by which the total income exceeds Rs, 20,000.

(*iv*) In the case of a depositor whose total income exceeds Rs. 40,000 but does not exceed Rs. 70,000—

10 per cent. of the adjusted total income;

Provided that the annuity deposit to be made shall in no case exceed the aggregate of the following sums, namely :—

(*a*) an amount calculated at seven and a half per cent, on so much of the adjusted total income as does not exceed Rs. 40,000;

(*b*) one-half of the amount by which the total income exceeds Rs. 40,000.

(*v*) In the case of a depositor whose total income exceeds Rs. 70,000—

12½ per cent of the adjusted total income;

Provided that the annuity deposit to be made shall in no case exceed the agregate of the following sums, namely :—

(*a*) an amount calculated at ten per cent on so much of the adjusted total income as does not exceed Rs. 70,000;

(*b*) one-half of the amount by which the total income exceeds Rs. 70,000.

Explanation.—In this Schedule, "total income" means total income computed in the manner laid down in the Income-tax Act without making any allowance under section 2800 of that Act.

THE THIRD SCHEDULE

(*See* section 75)

PART I

In the First Schedule to Tariff Act,—

(*i*) in Item No. 30, for the figures "60" and "50" in the fourth and fifth columns, the figures "75" and "65" shall respectively be substituted;

(*ii*) in Items Nos. 31, 31(2), 31(3) and 31 (5), for the entry against each of them in the fourth column, the entry "100 per cent *ad valorem*" shall be substituted ;

(*iii*) in Item No. 31 (1), for the figures "75" and "65" in the fourth and sixth columns, the figures "100" and "90" shall respectively, be substituted;

(*iv*) in Item No. 44, for the figures "50" in the fourth column the figures "75' shall be substituted;

(*v*) in Item No. 46 (3), for the figures "26" in the fourth column, the figures "50" shall be substituted ;

(*vi*) in Item No. 47 (2), for the entry in the fourth column, the entry "Rs. 10.25 per kilogram or 75 per cent *ad valorem*, whichever is higher" shall be substituted ;

(*vii*) in Item No. 63 (10),—

(1) for the entry in the fourth column against sub-item (*i*), the entry "Rs. 305.00 per tonne" shall be substituted;

(2) for the entry in the fourth column against sub-item (*ii*). the entry "Rs. 325.00 per tonne" shall be substituted; and

(*viii*) in Item No. 63(20A), for the figures "30" in the fourth column, the figures "100" shall be substituted.

PART II

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of—		Duration of protective rates of duty
				The United Kingdom	A Britsh Colony	
1	2	3	4	5	6	7

In the First Schedule to the Tariff Act, in SECTION VI, after Item No. 28A, the following Item shall be inserted, namely :—

"28B	Sodium hydrosulphite	Preferential Revenue	100 per cent. *ad valorem*	90 per cent. *ad valorem*	90 per cent. *ad valorem*	

R. C. S. SARKAR,

Secretary to the Govt. of India.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section—1-B

CENTRAL ACTS AND ORDINANCES

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 88 LCA 65, Bangalore, dated 2nd November 1965.

Ordered that the Representation of the people (Second Amendment) Act, 1965 (Central Act 17 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 1, dated the 23rd September 1965, be re-published in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
11 *Under Secy. to Govt., I/c., L. D.*

Assented to on 22nd September 1965, Act No. 17 of 1965.

THE REPRESENTATION OF THE PEOPLE (SECOND AMENDMENT) ACT, 1965

AN

ACT

further to amend the Representation of the People Act, 1951.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Representation of the People (Second Amendment) Act, 1965.

2. Insertion of new Chapter and sections after section 145.—In Part VIII of the Representation of the People Act, 1951 (43 of 1951), after section 145, the following Chapter and sections shall be inserted, namely:—

"CHAPTER IV

Powers of Election Commission in connection with Inquiries as to Disqualifications of Members

146. Powers of Election Commission.—(1) Where in connection with the tendering of any opinion to the President under article 103 or, as the case may be, under sub-section (4) of section 14 of the Government of Union Territories Act, 1963 (20 of 1963), or to the Governor under article 192, the Election Commission considers it necessary or proper to make an inquiry, and the Commission is satisfied that on the basis of the affidavits field and the documents produced in such inquiry by the parties concerned of their own accord, it cannot come to a decisive opinion on the matter which is being inquired into, the Commission shall have, for the purposes of such inquiry, the powers of a civil court, while trying a suit under the Code of Civil Procedure, 1908 (5 of 1908), in respect of the following matters, namely:—

(*a*) summoning and enforcing the attendance of any person and examining him on oath;

(*b*) requiring the discovery and production of any document or other material object producible as evidence;

(*c*) receiving evidence on affidavits;

(*d*) requisitioning any public record or a copy thereof from any court or office;

(*e*) issuing commissions for the examination of witnesses or documents.

(2) The Commission shall also have the power to require any person, subject to any privilege which may be claimed by that person under any law for the time being in

force, to furnish information on such points or matters as in the opinion of the Commission may be useful for or relevant to, the subject matter of the inquiry.

(3) The Commission shall be deemed to be a civil court and when any such offence, as is described in section 175, section 178, section 179, section 180 or section 228 of the Indian Penal Code (45 of 1960.), is committed in the view or presence of the Commission, the Commission may after recording the facts constituting the offence and the statement of the accused as provided for in the Code of Criminal Procedure, 1898 (5 of 1898), forward the case to a magistrate having jurisdiction to try the same and the magistrate to whom any such case is forwarded shall proceed to hear the complaint against the accused as if the case had been forwarded to him under section 482 of the Code of Criminal Procedure, 1898.

(4) Any proceeding before the Commission shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code.

146A. Statements made by persons to the Election Commissions.—No statement made by a person in the course of giving evidence before the Election Commission shall subject him to, or be used against him in, any civil or criminal proceeding except a prosecution for giving false evidence by such statement :

Provided that the statement—

(*a*) is made in reply to a question which he is required by the Commission to answer, or

(*b*) is relevant to the subject-matter of the inquiry.

146B. Procedure to be followed by the Election Commission.—The Election Commission shall have the power to regulate its own procedure (including the fixing of places and times of its sittings and deciding whether to sit in public or in private).

146C. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding shall lie against the Commission or any person acting under the direction of the Commission in respect of anything which is in good faith done or intended to be done in pursuance of the foregoing provisions of this Chapter or of any order made thereunder or in respect of the tendering of any opinion by the Commission to the President or, as the case may be, to the Governor or in respect of the publication, by or under the authority of the Commission of any such opinion, paper or proceedings.".

R. C. S. SARKAR,
Secy. to the Govt. of India.

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 84 LCA 65, Bangalore, dated 2nd November, 1965.

Ordered that the Press and Registration of books (Amendment) Act, 1965 (Central Act 16 of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 1, dated the 23rd September 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
9 *Under Secretary to Government*, I/c.
Law Department.

GOVERNMENT OF INDIA

MINISTRY OF LAW

(Legislative Department)

New Delhi, the 23rd September, 1965. Asvija 1, 1887 (Saka)

The following Acts of Parliament received the assent of the President on the 22nd September, 1965, and are hereby publishe for general information :—

THE PRESS AND REGISTRATION OF BOOKS (AMENDMENT) ACT, 1965.

No. 16 OF 1965

[*22nd September, 1965*]

An Act further to amend the Press and Registration of Books Act, 1867.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows :—

1. *Short title and commencement.*—(*1*) This Act may be called the Press and Registration of Books (Amendment) Act, 1965

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Amendment of section 1.*—Section 1 of the Press and Registration of Books Act, 1867 (25 of 1867), (hereinafter referred to as the principal Act) shall be re-numbered as sub-section (1) thereof, and—

(*a*) in sub-section (1) as so re-numbered, the definition of "India" shall be omitted;

(*b*) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

> "(2) Any reference in this Act to any law which is not in force in the State of Jammu and Kashmir shall, in relation to that State, be construed as a reference to the coresponding law in force in that State.".

3. *Insertion of new section 5A.*—After section 5 of the principal Act, the following section shall be inserted, namely:—

> "5A *Keepers of printing presses and printers and publishers of newspapers in Jammu and Kashmir to make and subscribe fresh declarations within specified period.*—(1) No person who has made and subscribed a declaration in respect of any press under section 4 of the Jammu and Kashmir State Press and Publications Act, S. 1989 (Jammu and Kashmir Act No. 1. of S. 1989, shall keep the press in his possession for the printing of books or papers after the expiry of a period of two months from the date of commencement of the Press and Registration of Books (Amendment) Act, 1965 unless before the expiry of that period he makes and subscribes a fresh declaration in respect of that press under section 4 of this Act.
>
> (2) Every person who has subscribed to any declaration in respect of a newspaper under section 5 of the Jammu Kashmir State Press and Publications Act, S. 1989 shall cease to be the editor, printer or publisher of the newspaper mentioned in such declaration after the expiry of a period of two months from the date of commencement of the Press and Registration of Books (Amendment) Act, 1965 unless before the expiry of that period he makes and subscribes a fresh declaration in respect of that newspaper under rule (2) of the rules laid down in section 5 of this Act.".

4. ***Amendment of section 22.***—In section 22 of the principal Act, the words "except the State of Jammu and Kashmir" shall be omitted.

THE REPRESENTATION OF THE PEOPLE (SECOND AMENDMENT) ACT, 1965

No. 17 of 1965.

[22nd September 1965]

An Act further to amend the Representation of the People Act, 1951.

Be it enacted by Parlaiment in the Sixteenth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Repsentation of the People (Second Amendment) Act, 1965.

2. *Insertion of new Chapter and sections after section 145.*—In Part VIII of the Representaion of the People Act, 1951, (43 of 1951) after section 145, the following Chapter and sections shall be inserted, namely:—

"Chapter IV

Powers of Election Commission in connection with Inquiries as to Disqualifications of Members

146. *Powers of Election Commission.*—(1) Where in connection with the tendering of any opinion to the President under article 103 or, as the crae may be, under sub-Section (4) of section 14 of the Government of Union Territories Act, 1963, (20 of 1963), or to the Governor under article 192, the Election Commission condsiders it necessary or proper to make an inquiry, and the Commission is satisfied that on the basis of the affidavits filed and the documents produced in such inquiry by the parties concerned of their own accord, it cannot come to a decisive opinion on the matter which is being inquired into, the Commission shall have for the purposes inquiry, the powers of a civil court, while trying a suit under the of such Code of Civil Procedure, 1908, (5 of 1908) in respect of the following matters, namely:—

(*a*) summoning and enforcing the attendance of any person and examining him on oath;

(*b*) requiring the discovery and production of any documce or other material object producible as evidenent

(*c*) receiving evidence on affidavits;

(*d*) requisitioning any public record or a copy thereof from any court or office;

(*e*) issuing commissions for the examination of witnesses or documents.

(*2*) The Commission shall also have the power to require any person, subject to any privilege which may be claimed by that person under any law for the time being in force, to furnish information on such points or matters as in the opinion of the Commission may be useful for, or relevant to the subject matter of the inquiry.

(*3*) The Commission shall be deemed to be a civil court and when any such offence, as is described in section 175, section 178, section 179, section 180 or section 228 of the Indian Penal Code, (45 of 1960) is committed in the view or presence of the Commission, the Commission may after recording the facts constituting the offence and the statement of the accused as provided for in the Code of Criminal Procedure, 1898, (5 of 1898), forward the case to a Magistrate having jursidiction to try the same and the Magistrate to whom any such case is forwarded shall proceed to hear the complaint against the accused as if the case had been forwarded to him under section 482 of the Code of Criminal Proceedure, 1898.

(*4*) Any proceeding before the Commission shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code.

146A. *Statements made by persons to the Election commissions.*- No statement made by a person in the course of giving evidence before the Election Commission shall subject him to, or be used against him in, any civil or criminal proceeding except a prosecution for giving false evidence by such statement:

Provided that the statement—

(*a*) is made in reply to a question which he is required by the Commission to answer, or

(*b*) is relevant to the subject-matter of the inquiry.

146B. *Procedure to be followed by the Election Commission.*—The Election Commission shall have the power to regulate its own procedure (including the fixing of places and times of its sittings and deciding whether to sit in public or in private).

146C. *Protection of action taken in good faith*.—No suit, prosecution or other legal proceeding shall lie against the Commission or any person acting under the direction of the Commission in respect of anything which is in good faith done or intended to be done in pursuance of the forgoing provisions of this Chapter or of any order made thereunder or in respect of the tendering of any opinion by the Commission to the President or, as the case may be, to the Governor or in respect of the publication, by or under the authority of the Commission of any such opinion, paper or proceedings.".

R. C. S. SARKAR,
Secy. to the Govt. of India.

NOTIFICATION.

(LAW DEPARTMENT.)

No. LAW 83 LCA 65, Bangalore, dated 2nd November 1965.

Ordered that the Insurance (Amendment) Act, 1965 (Central Act 32 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 1, dated the 30th September 1965 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
Under Secy. to Govt., L. D.

44

MINISTRY OF LAW

(Legislative Department)

New Delhi, the 30th September, 1965/*Asvina* 8, 1887 (*Saka*)

The following Acts of Parliament received the assent of the President on the 29th September, 1965, and are hereby published for general information:—

THE INSURANCE (AMENDMENT) ACT, 1965

No. 32 OF 1965

[29*th September*, 1965]

An Act further to amend the Insurance Act, 1938.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1 *Short title*.—This Act may be called the Insurance (Amendment) Act, 1965.

2. *Amendment of section* 3.—In section 3 of the Insurance Act, 1938 (4 of 1938) (hereinafter referred to as the prinicipal Act),—

(*i*) after sub-section (2), the following sub-sections shall be inserted, namely:—

"(2A) If, on receipt of an application for registration and after making such inquiry as he deems fit, the Controller is satisfied that—

(*a*) the financial condition and the general character of management of the applicant are sound;

(b) the volume of business likely to be available to, and the capital structure and earning prospects of the applicant will be adequate;

(c) the interests of the general public will be served if the certificate of registration is granted to the applicant in respect of the class or classes of insurance business specified in the application; and

(d) the applicant has complied with the provisions of section 2C, 5, 31A and 32 and has fulfilled all the requirements of this section applicable to him,

the Controller may register the applicant as an insurer and grant him a certificate of registration.

(2B) Where the Controller refuses registration, he shall record the reasons for such decision and shall furnish a copy thereof to the applicant.

(2C) Any person aggrieved by the decision of the Controller refusing registration may, within thirty days from the date on which a copy of the decision is received by him, appeal to the Central Government.

(2D) The decision of the Central Government on such appeal shall be final and shall not be questioned before any court.";

(*ii*) in sub section (3), for the words "In the case of any insurer having his principal place of business or domicile outside India", the following shall be substituted, namely:—

"Notwithstanding anything contained in sub-section (2A), in the case of any insurer having his principal place of business or domicile outside India";

(*iii*) sub-section (6) shall be omitted.

3. *Amendment of section* 110.—In section 110 of the principal Act, in clause (*a*) of sub-section (1), the words "refusing to register, or" shall be omitted.

THE LIFE INSURANCE CORPORATION (AMENDMENT) ACT, 1965

No. 33 OF 1965

[29*th September*, 1965]

An Act further to amend the Life Insurance Corporation Act, 1956.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

1. *Short title*.—This Act may be called the Life Insurance Corporation (Amendment) Act, 1965.

2. *Amendment of section* 26.—In the Life Insurance Corporation Act, 1956 (31 of 1956.) (hereinafter referred to as the principal Act), in section 26, for the words "business of the Corporation, including a valuation of the liabilities of the Corporation" the words "life insurance business of the Corporation, including a valuation of the liabilities of the Corporation in respect thereto" shall be substituted.

3. *Substitution of new section for section* 28.—For section 28 of the principal Act, the following section shall be substituted and shall be deemed always to have been so substituted, namely:—

> "28. *Surplus from life insurance business how to be utilized*.—If as a result of any investigation undertaken, by the Corporation under section 26 any surplus emerges ninety-five per cent. of such surplus or such higher percentage thereof as the Central Government may approve shall be allocated to or reserved for the life insurance policy-holders of the Corporation and after meeting the liabilities of the Corporation, if any, which may arise under section 9, the remainder shall be paid to the Central Government or, if that

Government so directs, be utilized for such purposes and in such manner as that Government may determine."

4. *Insertion of new section* 28A.—After section 28 of the principal Act, the following section shall be inserted, namely:—

"28A. *Profits from any business (other than life insurance business) how to be utilized.*—If for any financial year profits accrue from any business (other than life insurance business) carried on by the Corporation, then after making provision for reserves and other matters for which provision is necessary or expedient, the balance of such profits shall be paid to the Central Government.".

R. C. S. SARKAR,
Secy. to the Govt. of India.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.

PART IV

Section—1-B

CENTRAL ACTS AND ORDINANCES

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 86 LCA 65, dated the Bangalore, 2nd—9th November 1965.

Ordered that the Payment of Bonus Act, 1965 (Central Act 21 of 1965), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 1, dated the 25th September 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
Under Secy. to Govt., I/c. *L. D.*

MINISTRY OF LAW.

(Legislative Department).

New Delhi, the 25th September, 1965 Asvina 3, 1887 (Saka).

The following Act of Parliament received the assent of the President on the 25th September, 1965, and is hereby published for general information :—

THE PAYMENT OF BONUS ACT, 1965

No. 21 OF 1965

An Act to provide for the payment of bonus to persons employed in certain establishments and for matters connected threwith.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows :—

1. *Short title, extent and application.*—(1) This Act may be called the Payment of Bonus Act, 1965.

(*2*) It extends to the whole of India except the State of Jammu and Kashmir.

(*3*) Save as otherwise provided in this Act, it shall apply to—

(*a*) every factory; and

(*b*) every other establishment in which twenty or more persons are employed on any day during an accounting year.

(*4*) Save as otherwise provided in this Act, the provisions of this Act shall, in relation to a factory or other establishment to which this Act applies, have effect in respect of the accounting year commencing on any day in the year 1964 and in respect of every subsequent accounting year.

(*5*) An establishment to which this Act applies under clause (b) of sub-section (3) shall continue to be governed by this Act notwithstanding that the number of persons employed therein falls below twenty.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(*1*) "accounting year means—

(*i*) in relation to a corporation, the year ending on the day on which the books and accounts of the corporation are to be closed and balanced;

(*ii*) in relation to a company, the period in respect of which any profit and loss account of the company laid before it in annual general meeting is made up, whether that period is a year or not;

(*iii*) in any other case—

(*a*) the year commencing on the 1st day of April; or

(*b*) if the accounts of an establishment maintained by the employer thereof are closed and balanced on any day other than the 31st day of March, then, at the option of the employer, the year ending on the day on which its accounts are so closed and balanced:

Provided that on option once exercised by the employer under paragraph (*b*) of this sub clause shall not again be exercised except with the previous permission in writing of the prescribed authority and upon such conditions as that authority may think fit;

(2) "agricultural income" shall have the same meaning as in the Income-tax Act;

(3) "agricultural income tax law" means any law for the time being in force relating to the levy of tax on agricultural income;

(4) "allocable surplus" means—

- (a) in relation to an employer, being a company (other than a banking company) which has not made the arrangements prescribed under the Income-tax Act for the declaration and payment within India of the dividends payable out of its profits in accordance with the provisions of section 194 of the Act, sixty-seven per cent of the available surplus in an accounting year;
- (b) in any other case, sixty per cent of such available surplus, and includes any amount treated as such under sub-section (2) of section 34;

(5) "appropriate Government" means—

- (i) in relation to an establishment in respect of which the appropriate Government under the Industrial Disputes Act, 1947 (14 of 1947) is the Central Government, the Central Government;
- (ii) in relation to any other establishment, the Government of the State in which that other establishment is situate;

(6) "available surplus" means the available surplus computed under section 5;

(7) "award" means an interim or a final determination of any industrial dispute or of any question relating thereto by any Labour Court, Industrial Tribunal or National Tribunal constituted under the Industrial Disputes Act, 1947 (14 of 1947) or by any other authority constituted under any corresponding law relating to investigation and settlement of industrial disputes in force in a State and includes an arbitration award made under section 10A of that Act or under that law;

(8) "banking company" means a banking company as defined in section 5 of the Banking Companies Act, 1949 (10 of 1949) and includes the State Bank of India, any subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959, (38 of

1959) and any other banking institution which may be notified in this behalf by the Central Government;

(9) "company" means any company as defined in section 3 of the Companies Act, (1956, 1 of 1956) and includes a foreign company within the meaning of saction 591 of that Act;

(10) "co-operative society" means a society registered or deemed to be registered under the Co-operative Societies Act, 1912 (2 of 1912) or any other law for the time being in force in any State relating to co-operative societies;

(11) "corporation" means any body corporate established by or under any Central, Provincial or State Act but does not include a company or a co-operative society;

(12) "direct tax" means—

(*a*) any tax chargeable under—

(*i*) the Income tax Act;

(*ii*) the Super Profits Tax Act, (1963 14 of 1963).

(*iii*) the Companies (Profits) Surtax Act, 1964 (7 of 1964)

(*iv*) the agricultural income-tax law and

(*b*) any other tax which, having regard to its nature or incidence, may be declared by the Central Government, by notification in the Official Gazette, to be a direct tax for the purposes of this Act;

(13) "employee" means any person (other than an apprentice) employed on a salary or wage not exceeding one thousand and six hundred rupees per mensem in any industry to do any skilled or unskilled manual, supervisory, managerial, administrative technical or clerical work for hire or reward, whether the terms of employment be express or implied;

(14) "employer" includes—

(*i*) in relation to an establishment which is a factory, the owner or occupier of the factory, including the agent of such owner or occupier. the legal representative of a deceased owner or occupier and where a person has been named as a manager of the factory under clause (*f* of sub-section (1) of section 7 of the Factories Act, 1948 (63 of 1948) the person so named; and (*ii*) in relation to any other establishment, the person who, or the authority which has the ultimate control over the affairs of the establishment and where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent;

(15) "establishment in private sector" means any establishment other than an establishment in public sector:

(16) "establishment in public sector" means an establishment owned, controlled or managed by—

(*a*) a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956)

(*b*) a corporation in which not less than forty per cent of its capital is held (whether singly or taken together) by—

(*i*) the Government; or

(*ii*) the Reserve Bank of India; or

(*iii*) a Corporation owned by the Government or the Reserve Bank of India:

(17) "factory" shall have the same meaning as in clause (*m*) of section 2 of the Factories Act, 1948 (63 of 1948)

(18) "gross profits" means the gross profits calculated under section 4;

(19) "Income-tax Act" means the Income-tax Act, 1961 (43 of 1961)

(20) "prescribed" means prescribed by rules made under this Act;

(21) "salary or wage" means all remuneration (other than remuneration in respect of over-time work) capable of being expressed in terms of money, which would, if the terms of employment, express or implied, were fulfilled, be payable to an employee in respect of his employment or of work done in such employment and includes dearness allowance (that is to say, all cash payments, by whatever name called, paid to an employee on account of a rise in the cost of living), but does not include—

(*i*) any other allowance which the employee is for the time being entitled to;

(*ii*) the value of any house accommodation or of supply of light, water, medical attendance or other amenity or of any service or of any concessional supply of foodgrains or other articles;

(*iii*) any travelling concession;

(*iv*) any bonus (including incentive, production and attendance bonus):

(*v*) any contribution paid or payable by the employer to any pension fund or provident fund or for the benefit of the employee under any law for the time being in force;

(*vi*) any retrenchment compensation or any gratuity or other retirement benefit payable to the employee or any *ex gratia* payment made to him;

(*vii*) any commission payable to the employee.

Explanation —Where an employee is given in lieu of the whole or part of the salary or wage payable to him, free food allowance or free food by his employer, such food allowance or the value of such food shall, for the purpose of this clause, be deemed to form part of the salary or wage of such employee;

(22) words and expressions used but not defined in this Act and defined in the Industrial Disputes Act, 1947, (14 of 1947.) shall have the meanings respectively assigned to them in that Act.

3. *Establishments to include departments, undertaking and branches.*—Where an establishment consists of different deparatments or undertaking or has branches, whether situated in the same place or in different places, all such departments or undertaking or branches shall be treated as parts of the same establishment for the purpose of computation of bonus under this Act:

Provided that where for any accounting year a separate balance-sheet and profit and loss account are prepared and maintained in respect of any such, department or undertaking or branch, then, such department or undertaking or branch shall be treated as a sepraate establishment for the purpose of computation of bonus under this Act, for that year, unless such department or undertaking or branch was, immediately before the commencement of that accounting year treated as part of the establishment for the purpose of computation of bonus,

4. *Computation of gross profits.*—The gross profits derived by an employer from an establishment in respect of any accounting year shall—

(*a*) in the case of a banking company, be calculated in the manner specified in the First Schedule;

(*b*) in any other case, be calculated in the manner specified in the Second Schedule.

5. *Computation of available surplus.*—The available surplus in respect of any accounting yaer shall be the gross profits for that year after deducting therefrom the sums referred to in section 6.

6. *Sums deductible from gross profits.*—The following sums shall be deducted from the gross profits as prior charges, namely:—

(*a*) any amount by way of depreciation admissible in accordance with the provisions of sub-section (1) of section 32 of the Income Tax Act, or in accordance with the provisions of the agricultural income tax law, as the case may be:

Provided that where an employer has been paying bonus to his employees under a settlement or an award or agreement made before the 29th May, 1965, and subsisting on that date after deducting from the gross profits notional normal depreciation, then, the amount of depreciation to be deducted under this clause shall, at the option of such employer (such option to be exercised once and within one year from that date) continue to be such notional normal depreciation;

(*b*) any amount by way of development rebate or development allowance which the employer is entitled to deduct from his income under the Income-Tax Act;

(*c*) subject to the provisions of section 7, any direct tax which the employer is liable to pay for the accounting year in respect of his income, profits and gains during that year;

(d) such further sums as are specified in respect of the employer in the Third Schedule.

7. *Calculation of direct tax payable by the employer.*—For the purpose of clause (c) of section 6, any direct tax payable by the employer for any accounting year shall, subject to the following

provisions, be calculated at the rates applicable to the income of the employer for that year, namely :—

(a) in calculating such tax no account shall be taken of—

(*i*) any loss incurred by the employer in respect of any previous accounting year and carried forward under any law for the time being in force relating to direct taxes;

(*ii*) any arrears of depreciation which the employer is entitled to add to the amount of the allowance for depreciation for any following accounting year or years under sub-section (2) of section 32 of the Income-tax Act;

(*iii*) any exemption conferred on the employer under Section 84 of the Income-tax Act or of any deduction to which he is entitled under sub section (1) of Section 101 of that Act, as in force immediately before the commencement of the Finance Act, 1965 (10 of 1965).

(b) where the employer is a religious or a charitable institution to which the provisions of Section 32 do not apply and the whole or any part of its income is exempt from tax under the Income-tax Act, then, with respect to the income so exempted, such institution shall be treated as if it were a company in which the public are substantially interested wthin the meaning of that Act;

(c) where the employer is an individual or a Hindu undivided family, the tax payable by such employer under the Income-tax Act shall be calculated on the basis that the income derived by him from the establishment is his only income:

(d) where the income of any employer includes any profits and gains derived from the export of any goods or merchandise out of India and any rebate on such income is allowed under any law for the time being in force relating to direct taxes, then, no account shall be taken of such rebate;

(e) no account shall be taken of any rebate (other than development rebate or development allowance) or credit or relief or deduction (not hereinbefore mentioned in this section) in the payment of any direct tax allowed under any law for the time being in force relating to direct taxes or under the relevant annual Finance Act, for the development of any industry.

8. *Eligibility for bonus.*—Every employee shall be entitled to be paid by his employer in an accounting year, bonus, in accordance with the provisions of this Act, provided he has worked in the establishment for not less than thirty working days in that year.

9. *Disqualification for bonus.*—Notwithstanding anything contained in this Act, an employee shall be disqualified from receiving bonus under this Act, if he is dismissed from service for—

(a) fraud;

(b) riotous or violent behaviour while on the premises of the establishment; or

(c) theft, misappropriation or sabotage of any property of the establishment.

10. *Payment of minimum bonus.*—Subject to the provisions of sections 8 and 13, every employer shall be bound to pay to every employee in an accounting year a minimum bonus which shall be four per cent of the salary or wage earned by the employee during the accounting year or forty rupees, whichever is higher, whether there are profits in the accounting year or not:

Provided that where such employee has not completed fifteen years of age at the beginning of the accounting year, the provisions of this section shall have effect in relation to such employee as if for the words "forty rupees", the words "twenty-five rupees" were substituted.

11. *Payment of maximum bonus.*—(1) Where in respect of any accounting year the allocable surplus exceeds the amount of minimum bonus payable to the employees under section 10, the employer shall, in lieu of such minimum bonus, be bonud to pay to every employee in the accounting year bonus which shall be an amount in proportion to the salary or wage earned by the employee during the accounting year subject to a maximum of twenty per cent, of such salary or wage.

(2) In computing the allocable surplus under this section, the amount set on or the amount set off under the provisions of section 15 shall be taken into account in accordance with the provisions of that section.

12. *Calculation of bonus with respect to certain employees.*—Where the salary or wage of an employee exceeds seven hundred

and fifty rupees per mensem, the bonus payable to such employee under Section 10 or, as the case may be, under Section 11, shall be calculated as if his salary or wage were seven hundred and fifty rupees per mensem.

13. *Proportionate reduction in bonus in certain cases.*—Where an employee has not worked for all the working days in any accounting year, the minimum bonus of forty rupees or, as the case may be, of twenty five rupees, if such bonus is higher than four per cent of his salary or wage for the days he has worked in that accounting year, shall be proportionately reduced.

14. *Computation of number of working days.*—For the purposes of Section 13, an employee shall be deemed to have worked in an establishment in any accounting year also on the days on which—

(*a*) he has been laid off under an agreement or as permitted by standing orders under the Industrial Employment (Standing Orders) Act, 1946, 20 of 1946. or under the Industrial Disputes, Act, 1947, 14 of 1947. or under any other law applicable to the establishment;

(*b*) he has been on leave with salary or wage;

(*c*) he has been absent due to temporary disablement caused by accident arising out of and in the course of his employment; and

(*d*) the employee has been on maternity leave with salary or wage;

during the accounting year.

15. *Set on and set off of allocable surplus.*—(*1*) Where for any accounting year the allocable surplus exceeds the amount of maximum bonus payable to the employees in the establishment under Section 11, then, the excess shall, subject to a limit of twenty per cent of the total salary or wage of the employees employed in the establishment in that accounting year, be carried forward for being set on in the succeeding accounting year and so on up to and inclusive of the fourth accounting year to be utilised for the purpose of payment of bonus in the manner illustrated in the Fourth Schedule.

(2) Where for any accounting year, there is no available surplus or the allocable surplus in respect of that year falls short of the amount of minimum bonus payable to the employees in the

establishment under Section 10, and there is no amount of sufficient amount carried forward and set on under sub-section (1) which could be utilised for the purpose of payment of the minimum bonus, then, such minimum amount or the deficiency, as the case may be, shall be carried forward for being set off in the succeeding accounting year and so on up to and inclusive of the fourth accounting year in the manner illustrated in the Fourth Schedule.

(3) The principal of set on and set off as illustrated in the Fourth Schedule shall apply to all other cases not covered by sub-section (1) or sub-section (2) for the purpose of payment of bonus under this Act.

(4) Where in any accounting year any amount has been carried forward and set on or set off under this Section, then, in calculating bonus for the succeeding accounting year, the amount of set on or set off carried forward from the earliest accounting year shall first be taken into account.

16. *Special provisions with respect to certain establishments.*—(1) Where an establishment is newly set up, whether before or after the commencement of this Act, the employees of such establishment shall be entitled to be paid bonus under this Act only.—

(*a*) from the accounting year in which the employer derives profit from such establishment; or

(*b*) from the sixth accounting year following the accounting year in which the employer sells the goods produced or manufactured by him or renders services, as the case may be, from such establishment,

whichever is earlier:

Provided that in the case of any such establishment the employees thereof shall not, save as otherwise provided in Section 33, be entitled to be paid bonus under this Act in respect of any accounting year prior to the accounting year commencing on any day in the year 1964.

Explanation I.—For the purpose of this Section, an establishment shall not be deemed to be newly set up merely by reason of a change in its location, management, name or ownership.

Explanation II.—For the purpose of clause (*a*), an employer shall not be deemed to have derived profit in any accounting year unless—

(*a*) he has made provision for that year's depreciation to which he is entitled under the Income-tax Act or, as the case may be, under the agricultural income-tax law; and

(*b*) the arrears of such depreciation and losses incurred by him in respect of the establishment for the previous accounting years have been fully set off against his profits.

Explanation III.—For the purpose of clause (*b*), sale of the goods produced or manufactured during the course of the trial run of any factory or of the prospecting stage of any mine or an oil-field shall not be taken into consideration and where any question arises with regard to such production or manufacture, the decision of the appropriate Government, made after giving the parties a reasonable opportunity of representing the case, shall be final and shall not be called in question by any court or other authority.

(2) The provisions of sub-section (1) shall, so far as may be, apply to new departments or undertakings or branches set up by existing establishments:

Provided that if an employer in relation to an existing establishment consisting of different departments or undertakings or branches (whether or not in the same industry) set up at different periods has, before the 29th May, 1965, been paying bonus to the employees of all such departments or undertakings or branches irrespective of the date on which such departments or undertakings or branches were set up, on the basis of the consolidated profits computed in respect of all such departments or undertakings or branches, then, such employer shall be liable to pay bonus in accordance with the provisions of this Act to the employees of all such departments or undertakings or branches (whether set up before or after that date) on the basis of the consolidated profits computed as aforesaid.

17. *Adjustment of customary or interim bonus against bonus payable under the Act*—Where in any accounting year—

(a) an employer has paid any puja bonus or other customary bonus to an employee; or

(b) an employer has paid a part of the bonus payable under this Act to an employee before the date on which such bonus becomes payable,

then, the employer shall be entitled to deduct the amount of bonus so paid from the amount of bonus payable by him to the employee under this Act in respect of that accounting year and the employee shall be entitled to receive only the balance.

18. *Deduction of certain amounts from bonus payable under the Act.*—Where in any accounting year, an employee is found guilty of misconduct causing financial loss to the employer, then, it shall be lawful for the employer to deduct the amount of loss from the amount of bonus payable by him to the employee under this Act in respect of that accounting year only and the employee shall be entitled to receive the balance, if any.

19. *Time-limit for payment of bonus.*—Allamounts payable to an employee by way of bonus under this Act shall be paid in cash by his employer—

(a) where there is a dispute regarding payment of bonus pending before any authority under section 22, within a month from the date on which the award becomes enforceable or the settlement comes into operation, in respect of such dispute :

(b) in any other case, within a period of eight months from the close of the accounting year ;

Provided that the appropriate Government or such authority as the appropriate Government may specify in this behalf may, upon an application made to it by the employer and for sufficient reasons by order, extend the said period of eight months to such further period or periods as it thinks fit; so, however, that the total period so extended shall not in any case exceed two years.

20. *Application of Act to establishments in public sector in certain cases*—(1) If in any accounting year an establishment in public sector sells any goods produced or manufactured by it or renders any services, in competition with an establishment in private sector, and the income from such sale or services or both is not less than twenty per cent of the gross income of the establishment in public sector for that year, then, the provisions of this Act shall apply in relation to such establishment in public sector as they apply in relation to a like establishment in private sector.

(2) An establishment in public sector to which this Act applies shall continue to be governed by this Act notwithstanding that in any subsequent accounting year its income from the sale of goods produced or manufactured by it or from services rendered or from both, in competition with an establishment in private sector, falls below twenty per cent. of its gross income for that accounting year.

21. *Recovery of bonus due from an employer.*—Where any money is due to an employee by way of bonus from his employer under a settlement or an award or agreement, the employee himself or any other person authorised by him in writing in this behalf, or in the case of the death of the employee, his assignee or heirs may, without prejudice to any other mode of recovery, make an application to the appropriate Government for the recovery of the money due to him, and if the appropriate Government or such authority as the appropriate Government may specify in this behalf is satisfied that any money is so due, it shall issue a certificate for that amount to the Collector who shall proceed to recover the same in the same manner as an arrear of land revenue:

Provided that every such application shall be made within one year from the date on which the money became due to the employee from the employer:

Provided further that any such application may be entertained after the expiry of the said period of one year, if the appropriate Government is satisfied that the applicant had sufficient cause for not making the application within the said period.

Explanation—In this section and in sections 22, 23, 24 and 25 "employee" includes a person who is entitled to the payment of bonus under this Act but who is no longer in employment.

22. *Reference of disputes under the Act*—Where any dispute arises between an employer and his employees with respect to the bonus payable under this Act or with respect to the application of this Act to an establishment in public sector, then, such dispute shall be deemed to be an industrial dispute within the meaning of the Industrial Disputes Act, 1947 (14 of 1947) or of any corresponding law relating to investigation and settlement of industrial disputes in force in a State and the provisions of that Act or, as the case may be, such law, shall, save as otherwise expressly provided, apply accordingly.

23. *Presumption about accuracy of balance-sheet and profit and loss account of corporations and companies.* – (1) Where, during the course of proceedings before any arbitrator or Tribunal under the Industrial Disputes Act, 1947 (14 of 1947) or under any corresponding law relating to investigation and settlement of industrial disputes in force in a State (hereinafter in this section and in sections 24 and 25 referred to as the "said authority") to which any dispute of the nature specified in section 22 has been referred, the balance-sheet and the profit and loss account of an employer, being a corporation or a company (other than a banking company), duly audited by the Comptroller and Auditor General of India or by auditors duly qualified to act as auditors of companies under sub section (1) of section 226 of the Companies Act, 1956 (1 of 1956) are produced before it, then, the said authority may presume the statements and particulars contained in such balance-sheet and profit and loss account to be accurate and it shall not be necessary for the corporation or the company to prove the accuracy of such statements and particulars by the filing of an affidavit or by any other mode:

Provided that where the said authority is satisfied that the statements and particulars contained in the balance-sheet or the profit and loss account of the corporation or the company are not accurate, it may take such steps as it thinks necessary to find out the accuracy of such statements and particulars.

(2) When an application is made to the said authority by any trade union being a party to the dispute or where there is no trade union, by the employees being a party to the dispute, requiring any clarification relating to any item in the balance sheet or the profit and loss account, it may, after satisfying itself that such clarification is necessary, by order, direct the corporation or, as the case may be, the company, to furnish to the trade union or the employees such clarification within such time as may be specified in the direction and the corporation or, as the case may be, the company, shall comply with such direction.

24 *Audited accounts of banking companies not to be questioned* —(1) Where any dispute of the nature specified in section 22 between an employer, being a banking company, and its employees has been referred to the said authority under that section and during the course of proceedings the accounts of the banking company duly audited are produced before it, the said authority shall not permit any trade union or employees to question the

correctness of such accounts, but the trade union or the employees may be permitted to obtain from the banking company such information as is necessary for verifying the amount of bonus due under this Act.

(2) Nothing contained in sub-section (1) shall enable the trade union or the employees to obtain any information which the banking company is not compelled to furnish under the provisions of section 34A of the Banking Companies Act, 1949 (10 of 1949).

25. *Audit of accounts of employers, not being corporations or companies.*—(1) Where any dispute of the nature specified in section 22 between an employer, not being a corporation or a company, and his employees has been referred to the said authority under that section and the accounts of such employer audited by any auditor duly qualified to act as auditor of companies under sub-section (1) of section 226 of the Companies Act, 1956 (1 of 1956) are produced before the said authority, the provisions of section 23, shall, so far as may be, apply to the accounts so audited.

(2) When the said authority finds that the accounts of such employer have not been audited by any such auditor and it is of opinion that an audit of the accounts of such employer is necessary for deciding the question referred to it, then, it may, by order, direct the employer to get his accounts audited within such time as may be specified in the direction or within such further time as it may allow by such auditor or auditors as it thinks fit and thereupon the employer shall comply with such direction.

(3) Where an employer fails to get the accounts audited under sub-section (2) the said authority may, without prejudice to the provisions of section 28, get the accounts audited by such auditor or auditors as it thinks fit.

(4) When the accounts are audited under sub-section (2) or sub-section (3) the provisions of section 23 shall, so far as may be, apply to the accounts so audited.

(5) The expenses of, and incidental to, any audit under sub-section (3) (including the remuneration of the auditor or auditors) shall be determined by the said authority (which determination shall be final) and paid by the employer and in default of such payment shall be recoverable from the employer in the manner provided in section 21.

26. *Maintenance of registers, records, etc.*—Every employer shall prepare and maintain such registers, records and other documents in such form and in such manner as may be prescribed.

27. *Inspectors.*—(1) The appropriate Government may, by notification in the Official Gazette, appoint such persons as it thinks fit to be Inspectors for the purposes, of this Act and may define the limits within which they shall exercise jurisdiction.

(2) An Inspector appointed under sub-section (1) may, for the purpose of ascertaining whether any of the provisons of this Act has been complied with—

(*a*) require an employer to furnish such information as he may consider necessary;

(*b*) at any reasonable time and with such assistance, if any, as he thinks fit, enter any establishment or any premises connected therewith and require any one found in charge thereof to produce before him for examination any accounts, books, registers and other documents relating to the employment of persons or the payment of salary or wage or bonus in the establishment;

(*c*) examine with respect to any matter relevant to any of the purposes aforesaid, the employer, his agent or servant or any other person found in charge of the estblishment or any premises connected therewith or any person whom the Inspector has reasonable cause to believe to be or to have been an employee in the establishment;

(*d*) make copies of, or take extracts from, any book, register or other document maintained in relation to the establishment;

(*e*) exercise such other powers as may be prescribed.

(3) Every Inspector shall be deemed to be a public servant within the meaning of the Indian Penal Code (45 of 1860).

(4) Any person required to produce any accounts, book, register or other document or to give information by an Inspector under sub-section (1) shall be legally bound to do so.

(5) Nothing contained in this section shall enable an Inspector to require a banking company to furnish or disclose any statement or information or to produce, or give inspection of, any of its books of account or other documents, which a banking company cannot be compelled to furnish, disclose, produce or give inspection of, under the provisions of section 34A of the Banking Companies Act, 1949 (10 of 1949).

28. *Penalty.*—If any person—

(*a*) contravenes any of the provisions of this Act or any rule made thereunder; or

(*b*) to whom a direction is given or a requisition is made under this Act fails to comply with the direction or requisition,

he shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to on thousand rupees, or with both.

29. *Offences by companies.*—(1) If the person committing an offence under this Act is a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(*a*) "company" means any body corporate and includes a firm or other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

30. *Cognizance of offences.*—(1) No court shall take congnizance of any offence punishable under this Act, save on complaint made by or under the authority of the appropriate Government.

(2) No court inferior to that of a presidency magistrate or a magistrate of the first class shall try any offence punishable under this Act.

31. *Protection of action taken under the Act.*—No suit, prosecution or other legal proceeding shall lie against the Government or any officer of the Government for anything which is in good faith done or intended to be done in pursuance of this Act or any rule made thereunder.

32. *Act not to apply to certain classes of employees.*—Nothing in this Act shall apply to—

(*i*) employees employed by any insurer carrying on general insurance business and the employees employed by the Life Insurance Corporation of India;

(*ii*) seamen as defined in clause (42) of section 3 of the Merchant Shipping Act, 1958; (44 of 1958).

(*iii*) employees registered or listed under any scheme made under the Dock Workers (Regulation of Employment) Act, 1948, (9 of 1948) and employed by registered or listed employers,

(*iv*) employees employed by an establishment engaged in any industry carried on by or under the authority of any department of the Central Government or a State Government or a local authority;

(*v*) employees employed by—

a) the Indian Red Cross Society or any other institution of a like nature (including its branches),

(*b*) universities and other educational institutions;

(*c*) institutions (including hospitals, chambers of commerce and social welfare institutions) established not for purposes of profit;

(*vi*) employees employed through contractors on building operations;

(*vii*) employees—

(*a*) who have entered before the 29th May, 1965, into any agreement or settlement with their employers for payment of an annual bonus linked with production or productivity in lieu of bonus based on profits; or

(*b*) who have entered or may enter after that date into any agreement or settlement with their employers for payment of such annual bonus in lieu of the bonus payable under this Act,

for the period for which such agreement or settlement is in operation;

(*viii*) employees employed by the Reserve Bank of India;

(*ix*) employees employed by—

- (*a*) the Industrial Finance Corporation of India;
- (*b*) any Financial Corporation established under section 3, or any Joint Financial Corporation established under section 3A, of the State Financial Corporations Act, 1951: (63 of 1951)
- (*c*) the Deposit Insurance Corporation,
- (*d*) the Agricultural Refinance Corporation,
- (*e*) the Unit Trust of India,
- (*f*) the Industrial Development Bank of India;
- (*g*) any other financial institution (other than a banking company), being an establishment in public sector, which the Central Government may, by notification in the Official Gazette, specify, having regard to—
  - (*i*) its capital structure;
  - (*ii*) its objectives and the nature of its activities,
  - (*iii*) the nature and extent of financial assistance or any concession given to it by the Government, **and**
  - (*iv*) any other relevant factor;

(*x*) employees employed by any establishment in public sector, save as otherwise provided under this Act;

(*xi*) employees employed by inland water transport establishments operating on routes passing through any other country.

33. *Act to apply to certain pending disputes regarding payment of bonus.*—Where immediately before the 29th May, 1965, any industrial dispute regarding payment of bonus relating to any accounting year, not being an accounting year earlier than the accounting year ending on any day in the year 1962, was pending before the appropriate Government or before any Tribunal or other authority under the Industrial Disputes Act, 1947 (14 of 1947) or under any corresponding law relating to investigation and settlement of industrial disputes in a State, then, the bonus shall be payable in accordance with the provisions of this Act in relation to the accounting year to which the dispute relates and any subsequent accounting year, notwithstanding that in respect of that subsequent accounting year no such dispute was pending.

Explanation.—A dispute shall be deemed to be pending before the appropriate Government where no decision of that Government on any application made to it under the said Act or such corresponding law for reference of that dispute to adjudication has been made or where having received the report of the Conciliation Officer (by whatever designation known) under the said Act or law, the appropriate Government has not passed any order refusing to make such reference.

34. *Effect of laws and agreements in-consistent with the Act.*—(1) Save as otherwise provided in this section, the provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in the terms of any award, agreement, settlement or contract of service made before the 29th May, 1965.

(2) If in respect of any accounting year the total bonus payable to all the employees in any establishment under this Act is less than the total bonus paid or payable to all the employees in that establishment in respect of the base year under any award, agreement, settlement or contract of service, then, the employees in the establishment shall be paid bonus in respect of that accounting year as if the allocable surplus for that accounting year were an amount which bears the same ratio to the gross profits of the said accounting year as the total bonus paid or payable in respect of the base year bears to the gross profits of the base year:

Provided that nothing contained in this sub-section shall entitle any employee to be paid bonus exceeding twenty per cent of the salary or wage earned by him during the accounting year:

Provided further that if in any accounting year the allocable surplus computed as aforesaid exceeds the amount of maximum bonus payable to the employees in the establishment under the first proviso, then, the provisions of section 15 shall, so far as may be, apply to such excess.

Explanation I.—For the purpose of this sub-section, the total bonus in respect of any accounting year shall be deemed to be less than the total bonus paid or payable in respect of the base year if the ratio of bonus payable in respect of the accounting year to the gross profits of that year is less than the ratio of bonus paid or payable in respect of the base year to the gross profits of that year.

Explanation II.—In this sub-section,—

(*a*) "base year" means—

(*i*) in a case where immediately before the 29th May, 1965, any dispute of the nature specified in section 33 was pending before the appropriate Government or before any Tribunal or other authority under the Industrial Disputes Act, 1947 (14 of 1947) or under any corresponding law relating to investigation and settlement of industrial disputes in a State, the accounting year immediately preceding the accounting year to which the dispute relates;

(*ii*) in any other case, the period of twelve months immediately preceding the accounting year in respect of which this Act becomes applicable to the establishment;

(*b*) "gross profits" in relation to the base year or, as the case may be, to the accounting year, means gross profits as reduced by the direct takes payable by the employer in respect of that year.

(3) Nothing contained in this Act shall be construed to preclude employees employed in any establishment or class of establishments from entering into agreement with their employer for granting them an amount of bonus under a formula which is different from that under this Act:

Provided that any such agreement whereby the employees relinquish their right to receive the minimum bonus under section 10 shall be null and void in so far as it purports to deprive them of such right.

35. *Saving.*—Nothing contained in this Act shall be deemed to affect the provisions of the Coal Mines Provident Fund and Bonus Schemes Act, 1948 (46 of 1948) or of any scheme made thereunder.

36. *Power of exemption.*—If the appropriate Government, having regard to the financial position and other relevant circumstances of any establishment or class of establishments, is of opinion that it will not be in public interest to apply all or any of the provisions of this Act thereto, it may, by notification in the Official Gazette, exempt for such period as may be specified therein and subject to such conditions as it may think fit to impose, such establishment or class of establishments from all or any of the provisions of this Act.

37. *Power to remove difficulties.*—If any difficulty or doubt arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make

such provision, not inconsistent with the purposes of this Act as appears to it to be necessary or expedient for the removal of the difficulty or doubt; and the order of the Central Government, in such cases, shall be final.

38. *Power to make rules.*— (*1*) The Central Government may make rules for the purpose of carrying into effect the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) the authority for granting permission under the proviso to sub-clause (*iii*) of clause (*1*) of section 2;

(*b*) the preparation of registers, records and other documents and the form and manner in which such registers, records and documents may be maintained under section 26;

(*c*) the powers which may be exercised by an Inspector under clause (*e*) of sub-section (2) of section 27;

(*d*) any other matter which is to be, or may be, prescribed.

(*3*) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days, which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

39. *Application of certain laws not barred.*— Save as otherwise expressly provided, the provisions of this Act shall be in addition to and not in derogation of the Industrial Disputes Act, 1947 (14 of 1947) or any corresponding law relating to investigation and settlement of industrial disputes in force in a State.

40· *Repeal and saving.*— (*1*) The Payment of Bonus Ordinance, 1965 (3 of 1965), hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act as if this Act had commenced on the 29th May, 1965.

THE FIRST SCHEDULE

[*See* section 4 (a)]

COMPUTATION OF GROSS PROFITS

Accounting Year ending...................

Item No.	Particulars	Amount of sub-items	Amount of main items	Remarks
		Rs.	Rs.	
*1.	*Net* Profit as shown in the Profit and Loss Account after making usual and necessary provisions.			
2.	*Add back* provision for :			
	(*a*) Bonus to employees.			
	(*b*) Depreciation,			
	(*c*) Development Rebate Reserve.			*See* foot-note (1)
	(*d*) Any other reserves.			*See* foot-note (1)
	Total of Item No. 2	Rs.		
3.	*Add back* also :			
	(*a*) Bonus paid to employees in respect of previous accounting years.			*See* foot-note (1)
	(*b*) Donations in excess of the amount admissible for income-tax.			

---

* Where the profit subject to taxation is shown in the Profit and Loss Account and the provision made for taxes on income is shown, the actual provision for taxes on income shall be deducted from the profit.

Item No.	Particulars	Amount of sub-items	Amount of main items	Remarks
		Rs.	Rs.	
	(c) Capital expenditure (other than capital expenditure on scientific research which is allowed as a deduction under any law for the time being in force relating to direct taxes) and capital losses (other than losses on sale of capital assets on which depreciation has been allowed for income-tax).			*See* foot-note (1)
	(*d*) Any amount certified by the Reserve Bank of India in terms of sub section (2) of section 34A of the Banking Companies Act, 1949 (10 of 1949).			
	(*e*) Losses of, or expenditure relating to, any business situated outside India.			
	Total of Item No. 3	Rs.		
4.	*Add also* Income, profits or gains (if any) credited directly to published or disclosed reserves, *other than*—			
	(*i*) capital receipts and capital profits (including profits on the sale of capital assets on which depriciation has not been allowed for income-tax);			

Item No.	Particulars	Amount of sub-items	Amount of main items	Remarks
		Rs.	Rs.	
	(ii) profits of, and receipts relating to, any business situated outside India;			
	(iii) income of foreign banking companies from investments outside India.			
	Net total of Item No. 4	Rs.		
	Total of Item Nos. 1, 2, 3 and 4.		Rs.	
	Deduct,			
	(a) Capital receipts and capital profits (other than profits on the sale of assets on which depriciation has been allowed for income-tax)			*See* foot note (2)
	(b) Profits of, and receipts relating to, any business situated outside India.			*See* foot-note (2)
	(c) Income of foreign banking companies from investments outside India.			*See* foot-note (2)
	(d) Expenditure or losses (if any) debited directly to published or disclosed reserves, *other than*—			

Item No.	Particulars	Amount of sub-items	Amount of main items	
		Rs.	Rs.	
	(i) capital expenditure and capital losses (other than losses on sale of capital assets on which depreciation has not been allowed for income-tax);			
	(ii) losses of any business situated outside India.			
	(e) In the case of foreign banking companies proportionate administrative (overhead) expenses of Head Office allocable to Indian business.			*See* foot-note (3)
	(f) Refund of any excess direct tax paid for previous accounting years and excess provision, if any, of previous accounting years, relating to bonus, depreciation, or development rebate, if written back.			*See* foot-note (2)
	(g) Subsidy, if any, received from Government or from any body corporate established by any law for the time being in force.			*See* foot-note (2)
	Total of Item No. 6	Rs.		
7.	Gross Profits for purposes of bonus (Item No. 5 minus Item No. 6).		Rs.	

Foot-notes—

(1) If, and to the extent, charged to Profit and Loss Account.

(2) If, and to the extent, credited to Profit and Loss Account.

(3) In the proportion of Indian Gross Profit (Item No. 7) to Total World Gross Profit (as per consolidated Profit and Loss Account, adjusted as in Item No. 2 above only).

THE SECOND SCHEDULE

[*See* section 4 (*b*)]

COMPUTATION OF GROSS PROFITS

Accounting Year ending......................

Item No.	Particulars	Amount of sub-items	Amount of main Items	Remarks
		Rs,	Rs.	
1.	*Net profit* as per Profit and Loss Account.			
2.	*Add back* provision for :			
	(*a*) Bonus to employees.			
	(*b*) Depreciation.			
	(*c*) Direct taxes, including the provision (if any) for previous accounting years.			
	(*d*) Development rebate/Development allowance reserve.			*See* foot-note (1)
	(*e*) Any other reserves.			*See* foot-note (1)
	Total of Item No. 2	Rs.		
3.	*Add back* also :			
	(*a*) Bonus paid to employees in respect of previous accounting years.			*See* foot-note (1)
	(*b*) Donations in excess of the amount admissible for income tax.			
	(*c*) Any annuity due, or commuted value of any annuity paid, under the provisions of section 280D of the Income tax Act during the accounting year.			

Item No.	Particulars	Amount of sub-items	Amount of main-items	Remarks
		Rs.	Rs.	
	(*d*) Capital expenditure (other than capital expenditure on scientific research which is allowed as a deduction under any law for the time being in force relating to direct taxes) and capital losses (other than losses on sale of capital assets on which depreciation has been allowed for income-tax or agricultural income-tax).			*See* Foot-note (1)
	(*e*) Losses of, expenditure relating to, any business situated outside India.			
	Total of Item No. 3	Rs.		
4.	*Add also* Income, profits or gains (if any) credited directly to reserves, *other than*— (i) capital receipts and capital profits (including profits on the sale of capital assets on which depreciation has not been allowed for income-tax or agricultural income-tax); (ii) profits of, and receipts relating to, any business situated outside India; (iii) income of foreign concerns from investments outside India.			
	Net total of Item No. 4	Rs.		
5.	Total of Item Nos. 1, 2, 3 and 4.		Rs.	

Item No	Particulars	Amount of sub-items	Amount of Main Items	Remarks
1	2	3	4	5
		Rs.	Rs	
6	*Deduct*:			
	(a) Capital receipts and capital profits (other than profits on the sale of assets on which depreciation has been allowed for income tax or agricultural income-tax).			*See* foot-note (2)
	(b Profits of, and receipts relating to, any business situated outside India.			*See* Foot-note (2)
	(c) Income of foreign concerns from investments outside India.			*See* Foot-note (2)
	(d) Expenditure or losses (if any) debited directly to reserves, *other than*— (i) capital expenditure and capital losses (other than losses on sale of capital assets on which depreciation has not been allowed for income-tax or agricultural income tax); (*ii*) losses of any business situated outside India.			
	(e) In the case of foreign concerns proportionate administrative (overhead) expenses of Head Office allocable to Indian business.			*See* foot-note (3)
	(*f* Refund of any direct tax paid for previous accounting years and excess provision, if any, of previous accounting years relating to bonus, depreciation, taxation or development rebate or development allowance, if written back			*See* foot-note (2)

1	3	4	5
(g) Subsidy, if any, received from Government or from any body corporate established by any law for the time being in force.			
	Rs.		
7. Gross profits for purposes of bonus (Item No. 5 minus Item No. 6).		Rs.	

Foot notes—

(1) If, and to the extent, charged to Profit and Loss Account.

(2) If, and to the extent, credited to Profit and Loss Account.

(3) In the proportion of Indian Gross Profit (Item No. 7) to Total World Gross Profit (as per Consolidated Profit and Loss Account, adjusted as in Item No. 2 above only).

1	2	3
		(*iii*) 5 per cent. of its reserves shown in its balance-sheet as at the commencement of the accounting year including any profits carried forward from the previous accounting year; (*iv*) any sum which, in respect of the accounting year, is transferred by it— (*a*) to a reserve fund under sub-section *1* of section 17 of the Banking Companies Act, 1949 (10 of 1949); or (*b*) to any reserves in India in pursuance of any direction or advice given by the Reserve Bank of India, whichever is higher: Provided that where the banking company is a foreign company within the meaning of section 591 of the Companies Act, 1956 (1 of 1956), the amount to be deducted under this Item shall be the aggregate of— (*i*) the dividends payable to its preference shareholders for the accounting year at the rate at which such dividends are payable on such amount as bears the same proportion to its total preference share capital as its total working funds in India bear to its total world working funds; (*ii*) 7.5 per cent. of such amount as bears the same proportion to its total paid up equity share capital as its total working funds in India bear to its total world working funds; (*iii*) 5 per cent. of such amount as bears the same proportion to its total disclosed reserves as its total working funds in India bear to its total world working funds;

1	2	3
		(*iv*) any sum which, in respect of the accounting year, is deposited by it with the Reserve Bank of India under sub-clause (*ii*) of clause (*b*) of sub-section (*2*) of section 11 of the Banking Companies Act, 1949 (10 of 1949), not exceeding the amount required under the aforesaid provision to be so deposited.
3.	Corporation	(*i*) 8.5 per cent. of its paid up capital as at the commencement of the accounting year ; (*ii*) 6 per cent. of its reserves, if any, shown in its balance-sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year.
	Co-operative society.	(*i*) 8.5 per cent. of the capital invested by such society in its establishment as evidenced from its books of accounts at the commencement of the accounting year ; (*ii*) such sum as has been carried forward in respect of the accounting year to a reserve under and any law relating to co-operative societies for the time being in force.
5.	Any other employer not falling under any of the aforesaid categories.	8.5 per cent. of the capital invested by him in his establishment as evidenced from his books of accounts at the commencement of the accounting year : Provided that where such employer is a person to whom Chapter XXIIA of the Income-tax Act applies, the annuity deposit payable by him under the provisions of that Chapter during the accounting year shall also be deducted :

(1)	(2)	(3)
		Provided further that where such employer is a firm, an amount equal to 25 per cent of the gross profits derived by it from the establishment in respect of the accounting year after deducting depreciation in accordance with the provisions of clause (a) of section 6 by way of remuneration to all the partners taking part in the conduct of business of the establishment shall also be deducted. but where the partnership agreement, whether oral or written, provides for the payment of remuneration to any such partner, and— (*i*) the total remuneration payable to all such partners is less than the said 25 per cent. the amount payable, subject to a maximum of forty-eight thousand rupees to each such partner; or (*ii*) the total remuneration payable to all such partners is higher than the said 25 per cent., such percentage, or a sum calculated at the rate of forty-eight thousand rupees to each such partner, whichever is less. shall be deducted under this proviso: Provided also that where such employer is an Individual or a Hindu undivided family,— (*i*) an amount equal to 25 per cent. of the gross profits derived by such employer from the establishment in respect of the accounting year after deducting depreciation in accordance with the provisions of clause (a) of section 6; or (*ii*) forty-eight thousand rupees, whichever is less, by way of remuneration to such employer, shall also be deducted.

6	Any employer falling under Item No. 1 or Item No. 3 or Item No. 4 or Item No 5 and being a licensee within the meaning of the Electricity Supply Act, 1948 (54 of 1948).	In addition to the sums deductible under any of the aforesaid Items, such sums as are required to be appropriated by the licensee in respect of the accounting year to a reserve under the Sixth Schedule to that Act shall also be deducted.

Explanation—The expression "reserves" occurring in column (3) against Item Nos. 1 (*iii*), 2 (*iii*) and 3 (*ii*) shall not include any amount set apart for the purpose of—

(*i*) payment of any direct tax which, according to the balance-sheet, would be payable;

(*ii*) meeting any depreciation admissible in accordance with the provisions of clause (*a*) of section 6;

(*iii*) payment of dividends which have been declared, but shall includes—

(*a*) any amount, over and above the amount referred to in clause (*i*) of this *Explanation*, set apart as specific reserve for the purpose of payment of any direct tax; and

(*b*) any amount set apart for meeting any depreciation in excess of the amount admissible in accordance with the provisions of clause (*a*) of section 6.

THE FOURTH SCHEDULE

(*See* section 15)

In this Schedule, the total amount of bonus equal to four per cent of the annual salary or wage payable to all the employees is assumed to be Rs. 50,000. Accordingly, the maximum bonus to which all the employees are entitled to be paid (twenty per cent. of the annual salary or wage of all the employees) would be Rs. 2,50,000.

Year	Amount equal to sixty per cent or sixty seven per cent., as the case may be, of available surplus allocable as bonus.	Amount payable as bonus.	Set on or set off of the year carried forward.	Total set on or set off carried forward.	
(1)	(2)	(3)	(4)	(5)	
	Rs.	Rs.	Rs.	Rs	of (year)
1	70 000	70.000	Nil	Nil	
2	6,35,000	2,50,000*	Set on 2,50,000*	Set on 2,50,000	 (2)
3	2 20,000	2,50,000* (Inclusive of 30,000 from year-2)	Nil	Set on 2,20,000	 (2)
	3,75,000	2,50,000*	Set on 1,25,000	Set on 2.20,000 1,25,000	 (2) (4)
	1,40,000	2,50,000* (inclusive of 1,10,000 from year-2)	Nil	Set on 1,10,000 1,25 000	 (2) (4)
	3,10,000	2,50,000*	Set on 60,000	Set on Nil† 1,25 000 60,000	 (2) (4) (6)
	1,00,000	2,50,000* (inclusive of 1,25,000 from year-4 and 25 000 from year (6).	Nil	Set on 35,000	(6)
	Nil (due to loss)	50,000** (inclusive of 35.000 from year-6)	Set off 15,000	Set off 15,000	(8)
	10,000	50,000**	Set off 40,000	Set off 15,000 40.000	(8) (9)
	2,15,000	1,60,000 (after setting off 15,000 from year-8 and 40,000 from year-9)	Nil	Nil	

Notes—
*Maximum.
† he balance of Rs. 1,10,000 set on from year-2 lapses.
**Minimum.

R. C. S. SARKAR,
Secy. to the Govt. of India.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B[illegible]

PART IV

Section—1-B

CENTRAL ACTS AND ORDINANCES

NOTIFICATION.

(LAW DEPARTMENT).

No. LAW 94 LCA 65, dated Bangalore, 11th November 1965.

Ordered that the Gold (Control) Act, 1965 (Central Act 18 of 1965) which has been published in the *Gazette of India*, Extraordinary, Part II, Section 1, dated the 23rd September 1965 be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
Under Secy. to Govt., L. D.

46

GOVERNMENT OF INDIA

MINISTRY OF LAW

(Legislative Department)

New Delhi, the 23rd September, 1965/*Asvina* 1, 1887 (*Saka*).

The following Act of Parliament received the assent of the President on the 22nd September, 1965, and is hereby published for general information:—

THE GOLD (CONTROL) ACT, 1965
No. 18 OF 1965

[*22nd September*, 1965]

An Act to provide, in the economic and financial interests of the community, for the control of the production, supply, distribution, use and possession of and business in, gold and ornaments and other articles of gold and for matters connected therewith.

BE it enacted by Parliament in the Sixteenth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. *Short title extent, application and commencement*,—(1) This Act may be called the Gold (Control) Act, 1965.

(2) It extends to the whole of India and it applies also to citizens of India outside India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(*a*) "Administrator" means the Administrator appointed under section 18;

(*b*) "company" means any company as defined in section 3 of the Companies Act, 1956 (1 of 1956);

(*c*) "certified goldsmith" means a dealer who holds a valid certificate granted or deemed to be granted under section 13 recognising him as a goldsmith;

(*d*) "dealer" means any person who carries on, directly or otherwise, the business of—

(1) making, manufacturing, preparing, buying, selling, supplying, distributing, melting, processing or converting ornaments;

(2) buying, selling, supplying or distributing gold for the purpose of making, manufacturing or preparing ornaments;

(3) melting, processing or converting gold for the purpose of making, manufacturing or preparing ornaments,

whether for cash or for deferred payment, or for commission, remuneration or other valuable consideration, and includes—

(*a*) an undivided Hindu family which carries on such business;

(*b*) a local authority, company, society registered under the Societies Registration Act, 1860 (21 of 1860), co-operative society registered under any law with respect to co-operative societies, club, firm or other association which carries on such business, or

(*i*) buys ornaments, or gold for the purpose of making ornaments, from, or

(*ii*) makes or manufactures ornaments for,

(*iii*) processes, melts or converts ornaments, or gold for the purpose of making ornaments, for

(*iv*) sells, supplies or distributes ornaments, or gold for the purpose of making ornaments, to, its members; and

(*c*) a commission agent, broker, *del credere* agent, auctioneer or other mercantile agent, by whatever name called, who carries on such business on behalf of any principal;

But does not include the Reserve Bank of India, the State Bank of India, any subsidiary bank as defined in clause (*k*) of section 2 of the State Bank of India (Subsidiary Banks) Act, 1959, 38 *of* 1959 or any banking company as defined in clause (*c*) of section 5 of the Banking Companies Act, 1949, 10 *of* 1949, in so far as such bank sells or transfers or exhibits for sale or transfer any gold.

Explanation.—For the purposes of this Act—

(*a*) every person who acts as an agent of a dealer residing outside India and carries on the business of such dealer in India or acts on behalf of such dealer as—

(*i*) a mercantile agent as defined in the Sale of Goods Act, 19303, *of* 1930; or

(*ii*) an agent for handling gold or documents of title relating to gold; or

(*iii*) an agent for the collection or payment of sale price of gold or as a guarantor for such collection or payment; and

(*b*) every branch in India of a firm or company having its registered office outside India,

shall be deemed to be a dealer;

(*e*) "gold" means gold, including its alloy, whether virgin, melted, re-melted, wrought or unwrought in any shape or form, of a purity of not less than nine carats and includes any gold coin (whether legal tender or not), any ornament and any other article of gold;

(*f*) "ornament" means any article in a finished form, meant for personal adornment or for the adornment of any idol, deity or any other object of religious worship, made of, or manufactured from, gold, whether or not set with stones or gems, real or artificial, or with pearls, real, cultured or imitation or with all or any of them and includes parts, pendants or broken pieces of ornaments;

(*g* "prescribed" means prescribed by rules made under this Act;

(*h*) "primary gold" means gold in any unfinished form and includes all ingots, bars, blocks, slabs, billets, shots, pellets, rods and wires;

(*i*) "refiner" means the owner or occupier of a refinery;

(*j*) "refinery" means a place where gold is melted, assayed, refined, alloyed or subjected to any other process for the purpose of making primary gold and includes a place where gold is assayed at the request of any dealer or other person, whether for the purpose of making primary gold or not, but does not include any place used by a dealer for the purposes permitted under clause (*d*).

CHAPTER II

CONTROL OF BUSINESS IN GOLD

3. ***Prohibition of manufacture of articles of gold in certain cases*.** 1)—Subject to the other provisions of this Act,—

(*a* a dealer shall not make, manufacture or prepare—

(*i*) any article of gold other than ornament, or

(*ii*) any article containing gold of any purity;

(*b*) a refiner shall not make, manufacture or prepare—

(*i*) any article of gold other than primary gold, or

(*ii*) any article containing gold of any purity;

(*c*) any other person shall not make, manufacture or prepare any article of gold or any article containing gold of any purity,

unless such dealer, refiner or other person is on an application made by him in this behalf (which shall be accompanied by such fee as the Administrator may by direction specify and different fees may be specified for different classes of cases), authorised by the Administrator, by general or special order, to make, manufacture or prepare such article; and in granting such authorisation, the Administrator may, by the order aforesaid, also require such dealers, refiners or other persons or any class of them to pay such charges for supervision by the Administrator as may be specified in such order.

(2) A certified goldsmith may, and no other dealer shall, accept any ornament having gold of a purity exceeding fourteen carats for polishing or repair.

(3) A dealer (including a certified goldsmith) may accept any ornament having gold of any purity for the purpose of making, manufacturing or preparing new ornament or ornaments having gold of a purity not exceeding fourteen carats:

Provided that a certified goldsmith may, in accordance with the provisions of section 13, accept any ornament having gold of a purity exceeding fourteen carats for the purpose of making, manufacturing or preparing new ornaments having gold of a purity exceeding fourteen carats.

4. *Restrictions on the making, etc., of ornaments and other articles of gold.*—(*1*) Save as provided in section 13,—

(*a*) no dealer, whether licensed under this Act or not, shall—
  (*i*) make, manufacture or prepare, or
  (*ii*) sell or otherwise transfer, agree to sell or otherwise transfer, or expose or offer for sale or transfer, and

(*b*) no person shall place any order with any dealer, whether licensed under this Act or not, for the making, manufacture or preparation of,

any ornament having gold of a purity exceeding fourteen carats.

(2) No person shall make or manufacture any article of gold of a purity exceeding fourteen carats:

Provided that—

(*i*) any refiner may, if authorised by the Administrator to do so by general or special order, make, manufacture or have in his possession, custody or control any primary gold containing gold of a purity exceeding fourteen carats, and (*ii*) any refiner or dealer who as such refiner or dealer acquires or comes into the possession of any primary gold, or ornament or other article of gold, of a purity exceeding fourteen carats under any provision of this Act shall convert that gold, ornament or article into gold of a purity not exceeding fourteen carats within such period as the Administrator may by general or special order grant.

(3) Notwithstanding anything contained in sub-section (*1*) or sub-section (2), the Administrator may by general or special order permit any person to make, manufacture or prepare any ornament, or other article of gold, of a purity exceeding fourteen carats subject to such conditions (including conditions as to the payment of any fee or charges for supervision) and restrictions as may be specified in the order.

(4) Every person who makes, manufactures or sells any primary gold shall, unless the Administrator by notification in the Official Gazette otherwise directs put a stamp on each piece of primary gold,—

(*i*) certifying the purity of gold contained in such primary gold and the date of making or manufacturing thereof; and

(*ii*) containing such descriptive and other particulars which may enable the identification of the maker or manufacturer of such primary gold, as may be prescribed

(5) No stamp referred to in sub-section (4) shall be used in stamping any primary gold unless such stamp has been approved and registered by the Administrator.

5. *Restrictions on possession and sale of gold.*—(*1*) Except in the case of any quantity of gold acquired after the date of making any return under this Act, no dealer, and no refiner, who is licensed under this Act, shall have in his possession or under his control any gold which has not been included in such return:

Provided that any gold acquired after the date of making such return shall be included in the next succeeding return.

(2) Save as otherwise provided in this Act,—

(*a*) a refiner may sell or deliver gold only to a dealer licensed under this Act in accordance with the conditions and restrictions, if any, contained in the dealer's licence but shall not sell or deliver gold to any other person:

Provided that a refiner may sell gold to any person on production by that person of a permit granted by the Administrator in this behalf or to such other person as the Administrator may, by general or special order, authorise in this behalf;

(*b*) a dealer licensed under this Act may, in accordance with the conditions and restrictions, if any, contained in his licence, buy or otherwise acquire, or agree to buy or otherwise acquire, gold, not being ornament, only from a dealer, or refiner, licensed under this Act but not from any other person:

Provided that any such dealer may buy or otherwise acquire or accept gold, not being ornament, from any person if such gold has been included in a declaration made by that person under Part XIIA of the Defence of India Rules, 1962, or under section 16, or if in respect of such gold no such declaration is required and the dealer complies with the provisions of sub-section (3);

(*c*) a dealer licensed under this Act may, in accordance with the conditions and restrictions, if any, contained in his licence—

(*i*) Sell or otherwise transfer, or agree to sell or otherwise transfer, or

(*ii*) expose or offer for sale or transfer,

gold, not being ornament, only to a dealer, or refiner, licensed under this Act but not to any other person:

Provided that a dealer licensed under this Act may sell gold, not being ornament, to any person on production by that person of a permit granted by the Administrator in this behalf;

(*d*) a person other than a dealer licensed under this Act shall not buy or agree to buy or otherwise acquire or agree to acquire gold, not being ornament, except in accordance with a permit granted by the Administrator or in accordance with such authorisation as the Administrator may, by general or special order, make in this behalf, nor shall he otherwise acquire or agree to acquire such gold except by succession, intestate or testamentary:

Provided that a refiner may buy or accept gold from a dealer licensed under this Act;

(*e*) a person acquiring gold in accordance with any general or special authorisation made by the Administrator shall not—

(*i*) sell or otherwise transfer, or agree to sell or otherwise transfer, or

(*ii*) expose or offer for sale or transfer,

such gold to any person other than a person authorised by the Administrator by general or special order in this behalf.

(3) Any gold (other than ornament) which is not required to be declared under this Act may be sold or otherwise transferred or hypothecated, pledged, mortgaged or charged but the person to or with whom such gold is sold or otherwise transferred or hypothecated, pledged, mortgaged or charged shall give to such officer as may be authorised by the Administrator in this behalf, intimation thereof in such form and manner and within such period as may be prescribed.

6. *Prohibition of loans on hypothecation of gold.*—(1) No person shall make, advance or grant any loan to any other person on the hypothecation, pledge, mortgage or charge of any gold other than ornament unless the person making, advancing or granting the loan gives intimation thereof in accordance with sub-section (3) of section 5 or unless such gold has been included, if so required, in a declaration or a further declaration made under Part XIIA of the Defence of India Rules, 1962, or under section 16.

(2) No person who is a dealer, whether licensed or not, shall—

(*a*) carry on business as a dealer in the same premises in which he or any other person carries on business as a moneylender or banker involving the hypothecation, pledge, mortgage or charge of any gold,

(*b*) (*i*) sell or otherwise transfer to any person any gold on the hypothecation, pledge, mortgage or charge of which he has advanced any loan, whether before or after the 10th day of January, 1963, or

(*ii*) return such gold to the borrower, whether before or after the repayment of the loan,

except under and in accordance with such conditions, limitations or restrictions, if any, as may be imposed by the Administrator in this behalf.

(3) No pawnee who is not a dealer shall sell any gold pledged with him, on the failure of the pawnor to redeem such gold, except in accordance with such conditions as may be prescribed.

CHAPTER III

LICENSING OF DEALERS AND REFINERS AND CERTIFICATION OF GOLDSMITHS

(7). *Licensing of dealers.*—(1) Save as otherwise provided in this Act, no dealer who is registered under any law with respect to sales tax shall carry on business as such dealer unless he holds a valid licence issued in this behalf by the Administrator.

(2) A licence issued under sub-section (1) may contain such conditions and restrictions as the Administrator may think fit to impose and different conditions and restrictions may be imposed for different classes of dealers.

(3) Every dealer who is registered under any law with respect to sales tax shall, as soon as possible after such registrations and in any case before the expiry of sixty days thereafter, make to the Administrator an application in such form and on payment of such fee as may be prescribed, for the issue of a licence under this section.

(4) Any dealer who is not required to be registered under any law with respect to sales tax may, if he likes, also make to the Administrator an application in accordance with the foregoing provisions for the issue of a licence under this section and any licence issued in pursuance of such applications may contain such conditions and restrictions as the Administrator may think fit to impose and different conditions and restrictions may be imposed for different classes of applicants.

(5) Nothing in the foregoing provisions of this section shall be deemed to prohibit any dealer who is a required to apply for a licence under this section from carrying on his business as such dealer for the period within which he is required to apply for such licence and if he has applied for such licence, until he is granted a licence or is, by a notice in writing, informed by the Administrator that a licence cannot be granted to him.

(6) On the receipt of an application for the issue of a licence under this section, the Administrator may, after making

such inquiry, if any, as he may consider necessary, by order in writing either grant the licence or reject the application for the same:

Provided that no application for the issue of a licence made by a dealer registered under any law with respect to sales tax whether before or after the commencement of this Act shall be rejected unless the Administrator is satisfied that any statements made in the application for the issue of the licence are incorrect or false in material particulars or that the applicant for the licence has contravened any of the provisions of this Act or the provisions of any other law for the time being in force in so far as it prohibits or restricts the bringing into or taking out of India of any goods (including coins currency, whether Indian or foreign and foreign exchange), or the dealings in such goods by way of acquisition or otherwise and unless the applicant for the licence has been given a reasonable opportunity of showing cause against such rejection.

(7) A licence granted under this section shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fee as may be prescribed and the provisions of this section relating to the first issue of a licence shall apply as far as may be in relation to such renewal.

(8) In the case of any dealer who immediately before the date of coming into force of this Act was licensed as a dealer under Part XIIA of the Defence of India Rules, 1962, the provisions for the application of a licence shall not apply and the licence of such dealer may be renewed on the expiration thereof in accordance with the provisions contained hereinbefore.

8. *Licensing of refiners* (*1*) Save as otherwise provided in this Act, no person shall carry on business as a refiner unless he holds a valid licence issued in this behalf by the Administrator.

(*2*) A licence issued under sub-section (1) may contain such conditions and restrictions as the Administrator may think fit to impose and different conditions and restrictions may be imposed for different classes of refiners.

(*3*) Every person who intends to carry on business as a refiner may, if he had a refinery in existence immediately before the 10th day of January, 1963, make to the Administrator an application in such form and on payment of such fee as may be prescribed, for the issue of a licence under sub-section (1).

(*4*) A person to whom a licence to carry on business as a refiner is issued under sub-section (1) shall not carry on business as such refiner in the same premises in which he or any other person carries on business as a dealer or business as a money-lender or banker involving the hypothecation, pledge, mortgage or charge of any gold.

(*5*) Notwithstanding anything contained in sub-section (1), a refiner who has made an application under sub-section (3) for the issue of a licence to carry on business, may carry on business as a refiner, pending the grant of a licence unless he is, by a notice in writing, informed by the Administrator 'that the application has been rejected.

(*6*) No person shall establish any refinery unless he has obtained a valid licence from the Administrator on an application in accordance with the foregoing provisions for the issue of a licence under this section.

(*7*) On the receipt of an application for the issue of a licence under this section, the Administrator may, after making such inquiry, if any, as he may consider necessary, by order in writing either grant the licence or reject the application for the same .

Provided that no application for the issue of a licence made by a refiner shall be granted unless the Administrator is satisfied having regard to—

(*a*) the number of refineries existing in the area in which the applicant intends to carry on business as a refiner,

(*b*) the demand for primary gold in that area.

(*c*) the facilities existing in that area for the assay of gold by any method other than the touch-stone method.

(*d*) the turnover of the applicant during the year immediately before the 10th January, 1963, or immediately before the date of the application for the issue of the licence whichever is later.

(*e*) the suitability or otherwise of the applicant, and

(*f*) the public interest.

that the licence applied for should be granted.

Provided further that no application for the issue of a licence made by a refiner shall be rejected unless the applicant has been given a reasonable opportunity of showing cause against such rejection.

(8) A licence granted under this section shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fee as may be prescribed and the provisions of this section relating to the first issue of a licence shall apply as far as may be in relation to such renewal.

(9) In the case of any refiner who immediately before the date of coming into force of this Act was licensed as a refiner under Part XIIA of the Defence of India Rules, 1962, the provisions for the application of a licence shall not apply and the licence of such refiner may be renewed on the expiration thereof in accordance with the provisions contained hereinbefore.

9. *Cancellation of licences by Administrator.* A licence granted under section 7 or section 8 may be cancelled by the Administrator if he is satisfied that any statements made in the application for the issue of the licence or in relation to the licence are incorrect or false in material particulars or that the holder of the licence has contravened any of the provisions of this Act or the provisions of any other law for the time being in force in so far as it prohibits or restricts the bringing into or taking out of India of any goods (including coins, currency, whether Indian or foreign, and foreign exchange), or the dealings in such goods by way of acquisition or otherwise :

Provided that no licence shall be cancelled unless reasonable opportunity has been given to the holder thereof to show cause why the licence shall not be cancelled.

10. *Cancellation of licence on application by dealer or refiner.*—A dealer who ceases to be registered under any law with respect to sales tax or who discontinues his business in gold or a refiner who discontinues his business as such may make an application to the Administrator for cancellation of his licence as dealer or refiner, as the case may be, and thereupon the Administrator may cancel his licence.

11. *Disposal of gold in the possession of dealers or refiners in certain cases.*—A dealer who, being required by section 7 to make an application for a licence, has failed to do so within the period specified therefor or whose application for the issue of a licence has been rejected or whose licence has been cancelled or a refiner whose application for the issue of a licence under section 8 has been rejected or whose licence has been cancelled shall not, after the expiry of that period or after such rejection or cancellation, as the

case may be, carry on his business and shall, within thirty days from the date of such expiry, rejection or cancellation, sell or otherwise transfer to any dealer or refiner licensed under this Act the entire quantity of gold including ornaments, in his possession on the date of such expiry, rejection or cancellation and send intimation thereof to the Administrator.

12. *Display of licences.*—Every dealer and every refiner who is licensed under this Act shall display his licence at a conspicuous place of the premises in which the business of such dealer is carried on or the premises in which the refinery is located.

13. *Certified goldsmiths.*—(1) A dealer who is not required by sub-section (3) of section 7 to make an application for the issue of a licence under that section and has not obtained any licence in pursuance of an application made by him under sub-section (4) of that section and who does not employ more than one hired labourer in actually making, manufacturing or preparing any ornament and is not himself in the employment of another dealer may, if he was carrying on business as a dealer for more than a year immediately before the 10th day of January, 1963,—

(*a*) accept from any person, not being a refiner or a ceitified goldsmith or other dealer, any ornament or ornaments having gold of purity exceeding fourteen carats for the purpose of making manufacturing or preparing, and

(*b*) make, manufacture or prepare,

new ornaments or ornaments from that ornament or those ornamants subject to such restrictions relating to the purity and weight of gold contained in the new ornament or ornaments as may be prescribed.

(2) No such dealer shall after the commencement of this Act accept any such ornament or ornaments for the purpose of making, manufacturing or preparing new ornament or ornaments as aforesaid, unless he has before such commencement obtained under Part XIIA of the Defence of India Rules, 1962, a certificate recognising him as a goldsmith:

Provided that if the Administrator considers it necessary in the public interest so to do, he may, on application made to him in this behalf by a dealer, grant to him a certificate recognising him as a goldsmith in such form and on payment of such fee as may be prescribed.

(3) A certificate granted under Part XIIA of the Defence of India Rules, 1962, shall, unless the context otherwise requires, be

deemed for the purposes of this Act to be a certificate granted under this section.

(4) A certificate granted under this section shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fee as may be prescribed.

(5) A certificate granted under this section may be cancelled by the Administrator—

(*i*) if the certified goldsmith is, at any time after the grant of the certificate to him, registered under any law with respect to sales tax, or

(*ii*) on an application made to the Administrator for such cancellation by the certified goldsmith who ceases to work as a goldsmith, or

(*iii*) if the Administrator is satisfied that any statements made in the application for the issue of the certificate or in relation to the certificate are incorrect or false in material particulars or that the holder of the certificate has contravened any of the provisions of this Act :

Provided that no certificate shall be cancelled under clause (*i*) or clause (*iii*), unless reasonable opportunity has been given to the holder thereof to show cause why the certificate shall not be cancelled.

(6) Every certified goldsmith shall have in his possession the certificate granted to him while he carries on business as such goldsmith and shall produce it for inspection on demand by any officer authorised by the Administrator in this behalf.

(7) Notwithstanding anything contained in section 4, a certified goldsmith may have in his possession, custody or control primary gold of a purity exceeding fourteen carats by melting or processing or converting any ornament which has been accepted by him under this section for making, manufacturing or preparing new ornament or ornaments :

Provided that a certified goldsmith shall not have at any time in his possession, custody or control any quantity of such primary gold in excess of one hundred and fifty grammes obtained in the process of making, manufacturing, or preparing new ornament or ornaments.

(8) A dealer who may, in accordance with the provisions of the section, accept any ornament or ornaments having gold of a

purity exceeding fourteen carats for the purpose of making, manufacturing or preparing new ornament or ornaments having gold of a purity exceeding fourteen carats, may send to any other such dealer who possesses equipments for drawing wires or casting dies, or who is a specialist in stone setting, enamelling or polishing,—

(*a*) the ornament or ornaments so accepted, whether before or after melting, for the purpose of drawing wires or casting dies; or

(*b*) where new ornament or ornaments have been made, manufactured or prepared out of the ornament or ornaments so accepted, such new ornament or ornaments for setting stones, enamelling or polishing;

and such other dealer shall, after drawing wires or casting dies, or as the case may be, after setting stones, enamelling or polishing, return them to the dealer from whom they were received.

14. *Registration and certification of dealers not falling under section 7 or 13.*—(*1*) No dealer who has not obtained a licence under section 7 or a certificate under section 13 shall carry on business as a dealer unless he has been registered and possesses a certificate.

(*2*) Every such dealer shall make an application for the grant of a certificate within such time, in such form and on payment of such fee as may be prescribed.

(*3*) If the Administrator is satisfied that an application for registration is in order, he shall, in accordance with such rules as may be prescribed, register the applicant and grant him a certificate of registration in the prescribed form:

Provided that no application for the grant of a certificate of registration shall be rejected unless the applicant has been given a reasonable opportunity of showing cause against such rejection.

(*4*) A certificate granted under this section shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fee as may be prescribed, and the provisions of this section relating to the first issue of a certificate shall apply as far as may be in relation to such renewal.

(*5*) The provisions of sections 9, 10, 11 and 12 shall as far as may be, apply to a dealer registered under this section as they apply to a dealer licensed under section 7.

(*6*) Nothing in this section shall be deemed to prohibit any dealer who has been registered under this section from applying at any time for a licence under section 7 if he likes to do so and on his being licensed under section 7, the registration certificate issued to him under this section shall be cancelled.

15. *Special provision regarding public religious institutions*. — (*1*) Notwithstanding anything contained in Chaper II and the foregoing provisions of this Chapter, any public religious institution such as a temple, mutt, church, mosque, gurdwara or any other place of public religious worship, not being a dealer or refiner licensed under this Act, may receive gold of any purity in any form as offering.

(*2*) Any such institution—

(*a*) may retain the gold in the from in which it is received as offering so long as it is used exclusively for the purpose of the institution;

(*b*) shall not convert any gold in its possession into gold of a purity exceeding fourteen carats or make, manufacture or prepare ornament or any other article of gold of a purity exceeding fourteen carats unless such institution has been authorised by the Administrator by general or special order subject to such conditions as may be laid down, to do so;

(*c*) shall not sell or otherwise transfer gold in any form in its possession unless such gold has been converted into gold of a purity not exceeding fourteen carats and unless, in the case of gold other than ornament, the sale or transfer is to a dealer or refiner licensed under this Act;

(*d*) shall maintain such accounts and submit such returns as to the quantity, description and other particulars of gold possessed, received, sold or otherwise transferred by it, as may be prescribed.

(3) The person in charge of the management of any such institution shall be responsible for anything done or omitted to be done under this section.

CHAPTER IV

DECLARATION OF GOLD

16. *Declaration as to possession of gold other than ornament.*—(1) If any person who has made a declaration as to gold other than ornaments owned by him under Part XIIA of the Defence of India Rules, 1962, acquires by succession, intestate or testamentary, or in accordance with a permit granted by the Administrator, or parts with, after such declaration any quantity of gold, not being ornament, he shall, as often as he acquires or parts with any quantity of gold, make within thirty days from the date of such acquisition or parting with, a further declaration to the Administrator in the presribed form stating the quantity, description and other prescribed particulars of such gold acquired or parted with by him and giving the prescribed paticulars of the person from whom such gold was acquired or in whose favour such gold was parted with, as the case may be.

(2) If any person who did not own any gold, not being ornament, at any time during the period commencing on the 10th January, 1963, and ending with the 9th February, 1963, acquires, after the expiry of that period by succession, intestate or testamentary, or in accordance with a permit granted by the Administrator any quantity of gold, not being ornament, he shall, within thirty days from the date of such acquisition, make a declaration to the Administrator in the prescribed form stating the quantity, description and other prescribed particulars of such gold owned by him on the date of such declaration.

(3) If any person who has made a declaration under sub-section (2) acquires by succession, intestate or testamentary, or in accordance with a permit granted by the Administrator, or parts with, any quantity of gold, not being ornament, he shall, as often as he acquires or parts with any quantity of gold, make within thirty days from the date of such acquisition or parting with a further declaration to the Administrator in the prescribed form stating the quantity, description and other prescribed particulars of such gold acquired or parted with by him and giving the prescribed paticulars of the person from whom such gold was acquired or in whose favour such gold was parted with, as the case may be.

(4) For the removal of doubt, it is hereby declared that a declaration referred to in this section and section 17 shall be made—

(*a*) in the case of gold belonging to a minor or a lunatic, by the guardian or manager of such minor or lunatic, as the case may be;

(*b*) in the case of gold belonging to an idol or a deity, by the manager of such idol or deity, whether known as *shebait* or manager or by any other name;

(*c*) in the case of gold belonging to a person whose properties are under the management of a Court of Wards, by the manager of such Court;

(*d*) in the case of gold belonging to a person whose properties are under the management of any administrator or receiver, by such administrator or receiver;

(*e*) in the case of gold vested in an executor or an administrator of a will or other testamentary disposition, by such executor or administrator;

(*f*) in the case of gold belonging to the members of a firm, by any partner of such firm;

(*g*) in the case of gold belonging to an undivided Hindu family, by the head or *karta* of such family;

(*h*) in the case of gold which is the subject matter of any public or private trust, by a trustee of such trust;

(*i*) in the case of gold belonging to a company incorporated outside India, by any person in charge of the management of such company in India;

(*j*) in the case of gold belonging to a temple, mutt, church, mosque or any other religious institution by the person in charge of the management of such temple, mutt, church, mosque or other religious institution;

(*k*) in the case of gold which is wakf property, by the mutawalli of such wakf;

(*l*) in the case of gold belonging to any society, club or other association, by the secretary or manager of such society, club or other association.

(5) No person who is required to make a declaration as to gold other than ornament owned by him under the Defence of India Rules. 1962, or this section or exempted from making such declaration under the said Rules or sub-section (6) of this section shall, after the commencement of this Act, acquire any gold other than ornament except—

(*a*) by succession, intestate or testamentary, or

(*b*) in accordance with a permit granted by the Administrator in this behalf.

(6) No declaration or further declaration shall be required to be made under the foregoing provisions of this section in respect of—

(*a*) any gold, whether contained in one or more pieces, owned by a minor unless the weight of such gold exceeds twenty grammes ;

(*b*) any gold, whether contained in one or more pieces, owned by an individual other than a minor unless the weight of such gold exceeds fifty grammes ;

(*c*) any gold, whether contained in one or more pieces, referred to in clauses (b) to (l) of sub-section (4) unless the weight of such gold exceeds fifty grammes :

Provided that no declaration or further declaration as aforesaid shall be required in respect of any gold owned by a family if the total weight of such gold whether contained in one or more pieces and whether owned by a member of the family severally or by all the members jointly or partly in the one way and partly in the other, does not exceed one hundred and fifty grammes:

Provided further that where the Central Government is of the opinion that it is necessary so to do for carrying out the purposes of this Act, the Government may at any time, by general or special order, require that in respect of any gold not required to be declared under clause (a) or clause (b) or clause (c) or under the foregoing proviso, a declaration or further declaration as to the quantity, description and other prescribed particulars of or relating to such gold shall be made to the Administrator by such person and in such form and manner and within such time as may be prescribed.

Explanation —For the purposes of this sub-section and section 17, the expression "family" shall be deemed to consist of—

(*i*) the husband, wife and one or more minor children, or

(*ii*) any two or more of them,

but shall not be deemed to include any other person.

(7) Any person in possession or control of any gold, not being ornament, shall be presumed, until the contrary is proved, to be the owner thereof.

17 *Declaration as to possession of ornaments* —(1) Where the Central Government is of the opinion that it is necessary so to do for carrying out the purposes of this Act, that Government may at

any time, by general or special order, require that any person or class of persons owning ornaments shall, within such period as may be specified in the said order, make a declaration to the Administrator in the prescribed form as to the quantity, description and other prescribed particulars of the ornaments owned by such person or each person in that class:

Provided that it shall not be necessary to make any such declaration where the value calculated in the prescribed manner, if the ornaments does not exceed—

(a) where such ornaments are owned by a person, twenty-five thousand rupees;

(b) where such ornaments are owned by a family, fifty thousand rupees.

Explanation.—For the purposes of this section, any person in possession or control of any ornament shall be presumed, until the contrary is proved, to be the owner thereof.

(2) If any person who has made a declaration under sub-section (1) acquires or parts with any ornament after such declaration, he shall, as often as he acquires or parts with any ornamant, make within thirty days from the date of such acquisition or parting with a further declaration to the Administrator in the prescribed form stating the quantity, description and other prescribed particulars of such ornament acquired or parted with by him and giving the prescribed particulars of the person from whom such ornament was acquired or in whose favour such ornament was parted with, as the case may be.

(3) If any person who, at any time during the period within which the declaration referred to in sub-section (1) is to be made, does not own any ornament, or owns ornaments not exceeding in quantity or value such limit as may be specified by the Central Government under sub-section (1), acquires thereafter any ornament or ornaments so as to exceed such limit, he shall, within thirty days from the date the limit is exceeded, make a declaration to the Administrator in the prescribed form stating the quantity, description and other prescribed particulars of such ornament or ornaments owned by him on the date of such declaration.

(4) If any person who has made a declaration under sub-section (3) acquires or parts with any quantity of ornaments, he shall as often as he acquires or parts with any quantity of ornaments, make, within thirty days from the date of such acquisition or

parting with, a further declaration to the Administrator as provided in sub-section (2).

CHAPTER V

ADMINISTRATOR

18. *Appointment and functions of Administrator.*—(1) The Central Government shall, by notification in the Official Gazette, appoint an Administrator for carrying out the purposes of this Act.

(2) The Administrator shall discharge his functions subject to the general control and directions of the Central Government.

(3) The Administrator may by general or special order authorise such person (including any officer or authority subordinate to a State Government) as he thinks fit to exercise all or any of the powers exercisable by him under this Act and different persons may be authorised to exercise different powers:

Provided that no officer below the rank of Collector of Customs or Central Excise or Collector of a district shall be authorised to hear appeals under sub-section (2) of section 30.

(4) Subject to any general or special direction given or condition attached by the Administrator, any person authorised by the Administrator to exercise any powers may exercise those powers in the same manner and with the same effect as if they had been conferred on that person directly by this Act and not by way of authorisation.

CHAPTER VI

RETURNS AND ACCOUNTS

19. *Returns as to gold.*—Dealers (including certified goldsmiths and refiners, shall furnish to the Administrator such returns as to the quantity description and other prescribed particulars of gold in their possession or under their control in such form and within such time as may be prescribed and different returns may be prescribed for different classes of dealers or refiners.

20. *Accounts.*—(1) Dealers (including certified goldsmiths) and refiners, shall keep such accounts and in such form and manner as may be prescribed of the gold held, bought or sold or otherwise received or disposed of by them, in respect of each

transaction and different accounts may be prescribed for different classes of dealers or refiners.

(2) Every such dealer, certified goldsmith and refiner shall, if so required by the Administrator,—

(*a*) produce before the Administrator any account, register or other document, and

(*b*) furnish to the Administrator any information relating to the quantity of gold in his possession or under his control or to the purchase, sale or delivery of gold by him.

(3) All accounts, registers and other documents, relating to any quantity of gold or to the purchase, sale or delivery thereof and any gold in the possession or under the control of the dealer, refiner or certified goldsmith, wherever kept, shall be open to inspection by any person authorised by the Administrator in this behalf.

CHAPTER VII

MISCELLANEOUS PROVISIONS

21. *Power of Administrator to issue directions and orders.*—(*1*) The Administrator may, if he thinks fit, issue directions or orders, not inconsistent with this Act, for carrying out the purposes of this Act.

(2) The Administrator, so far as it appears to him to be necessary or expedient for securing the equitable distribution and availability at fair prices of gold and ornaments, may by order published in the Official Gazette,—

(*a*) regulate the prices at which any gold or ornament may be bought or sold by any dealer or refiner, and

(*b*) regulate by licences, permits or otherwise, the distribution, transport, disposal, acquisition, possession, use or consumption of gold by dealers or refiners or other persons.

22. *Persons permitted to buy gold to observe conditions.*—Any person authorised by the Administrator by general or special order, or holding a permit issued by the Administrator, for buying or otherwise acquiring gold shall observe such conditions, be subject to such restrictions and furnish such accounts or returns or both, to the Administrator, as may be prescribed.

23. *Prohibition of use of buildings for carrying on unlicensed refinery.*—No person,—

(*a*) being the owner, lessor or landlord of any premises or the agent of such owner, lessor or landlord. shall let the same or any part thereof with the knowledge that the same or part thereof is intended to be used as a refinery or wilfully allow any person to use such premises or any part thereof as a refinery unless the refiner has been licensed under this Act; or

(*b*) being the tenant, lessee or occupier or any person in charge of any premises, shall use or allow any person to use such premises or any part thereof as a refinery unless the refiner has been licensed under this Act.

24. *Transfer or Transmission of business.* Where the business of a dealer licensed or registered under this Act or a refinery is transferred by sale, gift, bequest or otherwise or is transmitted by inheritance or is transferred by way of lease, the transferee, heir or lessee shall not carry on such business or run the refinery either in his own name or in some other name unless the transferee, heir or lessee has before the expiry of sixty days after the date of such transfer or transmission, made to the Administrator an application for the issue of a licence or certificate of registration in accordance with the provisions of section 7 or section 8 or section 14:

Provided that nothing in this section shall be deemed to prohibit the transferee, heir or lessee from carrying on business as a dealer or refiner for the period within which he is required to apply for such licence or registration and if he has applied for such licence or registration until he is granted the licence or certificate of registration or is, by a notice in writing, informed by the Administrator that such licence or certificate cannot be granted to him.

25. *Secrecy and fidelity.*—(*1*) All particulars contained in any return or declaration made or accounts, registers or other documents produced in accordance with this Act shall, save as otherwise provided in sub-section (4), be treated as confidential, and notwithstanding anything contained in the Indian Evidence Act, 1872, (1 of 1872) no court shall be entitled to require the Administrator or any person authorised by the Administrator under this Act or any officer or other employee of the Government to produce before it any such return, declaration, accounts,

registers or other documents or any part thereof or to give evidence before it in respect thereof.

(2) Any person authorised by the Administrator under this Act and any other person discharging any functions in the implementation of the provisions of this Act shall not divulge any information relating to any particulars contained in any return or declaration made to or any accounts, registers or other documents produced before, or inspected by the Administrator or any such person.

(3) The Administrator or any gazetted officer authorised by him in this behalf may request any officer of Government to furnish any information relating to any particulars contained in any return or declaration made to, or any accounts, registers or other documents produced before or inspected by such officer of Government under the provisions of law if in the opinion of the Administrator or the gazetted office aforesaid, such information is necessary for the implementation of the provisions of this Act, and when such request is made, the officer of Government shall comply with such request notwithstanding the provisions of any such law forbidding the furnishing of such information,

(4) Nothing in this section shall apply to and in relation to the discloser of any of the paticulars referred to in sub-section (1) or sub-section (2)—

(*a*) for the purpose of any prosecution for any offence,or

(*b*) to any officer of other employee of Government where it is necessary to make such disclosure to such officer or other employee for the purpose of this Act or of any other law.

26 ***Power to enter, search and seize, to obtain information and to take samples.***—(1) Any officer authorised by the Administrator in this behalf may—

(*a*) enter and search the establisment of a dealer or any refinery;

(*b*) seize any gold in respect of which he suspects that any provisions of this Act has been, or is being or is about, to be, contravened, along with the package, covering or receptacle, if any in which such gold is found.

(*c*) seize any books of account, return or any other document relating to any gold in respect of which he suspects that any provision of this Act has been, or is being, or is about to be contravened·

(2) Any officer authorised by the central Government in this behalf may—

(*a*) enter and search ony premises, not being a refinery or establishment referred to in sub-section (1), vaults, lockers or any other place whether above or below ground;

(*b*) seize any gold in respect of which he suspects that any provision of this Act has been, or is being, or is about to be contravened, along with the package, covering or receptacle, if any, in which such gold is found;

(*c*) seize any books of account, return or any other document relating to any gold in respect of which is suspects that any provision of this Act has been, or if being, or is about to be contravened.

(3) Any officer authorised by the Administratocr in this behalf may search any person if that officer has reason to believe that such person has secreted about his person—

(*a*) any gold in respect of which such officer suspects that any provision of this Act has been, or is being, or is about to be contravened,

(*b*) any document relating to such gold,

and seize any such gold or document in his possession.

(4) When any such officer as aforesaid is about to search the person referred to in sub-section (*3*), he shall, if such person so requires, take such person to the nearest gazetted officer authorised by the Administrator or to the nearest magistrate.

(5) Any officer authorised by the Administrator in this behalf may, if he suspects that any person has contravened, or is contravening or is about to contravene any provision of this Act, detain such person and take him to a gazetted officer authorised by the Administrator or to a magistrate for a search of his person and seizure of any such gold or document as is referred to in sub-section (3).

(6) A gazetted officer or magistrate before whom any person is brought shall, if he sees no reasonable ground for search, forthwith discharge the person but otherwise shall direct that search be made.

(7) No female shall be searched by any one excepting a female.

(8) Any officer authorised by the Administrator in this behalf may, if he has reason to believe that any person has contravened, or is contravening or is about to contravene, any provision of this Act, arrest such person and shall as soon as possible inform him of the grounds for such arrest and shall take such arrested person to the nearest magistrate within a period of twenty-four hours of such arrest excluding the time necessary for the journey from the place of arrest to the court of the magistrate and no such person shall be detained in custody beyond the said period without the authority of a magistrate.

(9) Any officer who has arrested any person under this section shall, for the purpose of releasing such person on bail or otherwise have the same powers and be subject to the same provisions as the officer-in-charge of a police station has and is subject to under the Code of Criminal Procedure, 1898 (5 of 1898.)

(10) Any officer authorised by the Administrator in this behalf may, if he has reason to believe that any aircraft, vehicle or animal or any vessel is being, or is about to be, used for carrying any gold in respect of which he suspects that any provision of this Act has been, or is being, or is about to be, contravened, at any time stop any such vehicle, animal or vessel or, in the case of an aircraft, compel it to land, and

(*a*) rummage and search any part of the aircraft, vehicle or vessel;

(*b*) examine and search any goods in the aircraft, vehicle, vessel or on the animal;

(*c*) seize any such gold as is referred to above and any books of account or other document relating to such gold;

(*d*) break open the lock of any door or package for exercising the powers conferred by clauses (*a*), (*b*) and (*c*), if keys are withheld;

(*e*) if it becomes necessary to stop any such aircraft, vehicle or animal or vessel, he may use all lawful means for stopping it, and where such means fail, the aircraft, vehicle, vessel or animal may be fired upon.

(*11*) The provisions of the Code of Criminal Procedure, 1898 (5 of 1898.) relating to search and seizure shall, so far as they are applicable, apply in relation to search and seizure made under this section.

(*12*) The Administrator shall have power—

(*a*) to take samples of gold from any dealer, refiner or other person in such manner as may be prescribed;

(*b*) to send such sample for assay or analysis to such authority as may be prescribed and to require such authority to send a report to the Administrator as a result of the assay or analysis.

(*13*) Where at the time of arrest of any person or seizure of any gold, document or other goods in the possession of any person, such person makes a statement to the officer making such arrest or seizure, that officer shall on demand by such person furnish him with a copy of the statement.

Explanation.—Any reference to gold in this section and in sections 29 and 30 shall, unless the context otherwise requires, include any article containing gold of any purity, referred to in sub-section (*1*) of section *3*.

27. *Power to hold inquiry and to call for information.*—(1) Any gazetted officer authorised by the Administrator in this behalf may hold an inquiry for the purpose of ascertaining whether any contravention of any of the provisions of this Act has been, is being, or is about to be, committed and shall for the purposes of such inquiry have power to summon any person whose attendance he considers necessary either to give evidence or to produce any documents or other thing.

(2) The Administrator may call for information from any person for the purpose of ascertaining whether or not there has been any contravention any of the provisions of this Act.

28 *Confiscation of conveyances.*—(1) The following conveyances shall be liable to seizure and confiscation:

(*a*) any vessel which is or has been within the Indian waters any aircraft which is or has been in India or any vehicle which is or has been in any area in India, while constructed, adapted, altered or fitted in any manner for the purpose of concealing gold;

(*b*) any conveyance from which the whole or any part of gold is thrown over-board staved or destroyed so as to prevent seizure by any officer authorised by the Administrator;

(c) any conveyance which having been required to stop or land under sub-section (10) of section 26 fails to do so, except for good and sufficient cause;

(d) any conveyance from which any gold cleared for exportation is unloaded without the permission of the officer authorised by the Administrator in this behalf;

(e) any conveyance carrying imported gold which has entered India and is afterwards found with the whole or substantial portion of such gold missing, unless the master of the vessel or aircraft is able to account for the loss of, or deficiency in, the gold.

(2) Any conveyance or animal used as a means of transport or in the carriage of any gold in respect of which any provision of this Act has been, or is being or is about to be, contravened, shall be liable to seizure and confiscation, unless the owner of the conveyance or animal proves that it was so used without the, knowledge or connivance of the owner himself, his agent, if any, and the person in charge of the conveyance or animal and that each of them had taken all such precautions against such use as are for the time being specified in the rules made in this behalf by the Central Government:

Provided that where any such conveyance or animal is used for the carriage of goods or passengers for hire, the owner of the conveyance or animal shall be given an option to pay in lieu of confiscation of the conveyance or animal, a fine not exceeding the value of such conveyance or, animal.

29. *Confiscation of gold seized and imposition of penalty.*—(1) Any gold seized under section 26 together with the package, covering or receptacle, if any, in which such gold is found shall be liable to confiscation.

(2) Any person who in relation to any gold does or omits to do any act which act or omission would render such gold liable to confiscation under sub-section (1), or abets the doing or omission of such an act shall be liable, in addition to any liability for punishment under this Act, to a penalty not exceeding five times the value of the gold or one thousand rupees, whichever is more, irrespective of whether such gold has been confiscated.

30. *Adjudication, appeal and revision.*—(1) The confiscation, fine or penalty under section 28, section 29, proviso to sub-section

(3) of section 31 or sub-section (8) of this section or under any rule made under this Act may be adjudged—

(*a*) without limit, by an officer not below the rank of Deputy Collector of Customs or Central Excise;

(*b*) where the value of conveyance or animal or gold or all of them together with the package, covering or receptacle, if any, in which such gold is found, liable to confiscation does not exceed ten thousand rupees, or where the fine or penalty proposed to be imposed does not exceed two thousand rupees, by an officer not below the rank of Assistant Collector of Customs or Central Excise or by any other officer of the Central Government or a State Government authorised by the Central Government in this behalf:

Provided that no order of adjudication of confiscation, fine or penalty shall be made unless the owner of the conveyance, animal or gold or other person concerned—

(*i*) is given a notice in writing informing him of the grounds on which it is proposed to confiscate such conveyance, animal or gold or to impose a penalty;

(*ii*) is given an opportunity of making a representation in writing within such reasonable time as may be specified in the notice against the grounds of confiscation or imposition of penalty mentioned therein; and

(*iii*) is given a reasonable opportunity of being heard in the matter :

Provided further that the notice referred to in clause (*i*) and the representation referred to in clause *ii*), of the foregoing proviso may, at the request of the owner or other person concerned, be oral ;

Provided also that where no such notice is given within a period of six months of the seizure of the conveyance, animal or gold or such further period as the Collector of Customs or Central Excise may specify, such conveyance, animal or gold shall be returned after the expiry of that period to the person from whose possession it was seized.

(2) An appeal shall lie to the Administrator—

(*a*) from every order of adjudication of confiscation, fine or penalty under sub-section (1), (*b*) from any other decision or order passed by an officer not above the rank of Collector of Customs or Central Excise,

within a period of three months from the date of the communication of the order or decision.

(3) Every person adjudicating under this section and the Administrator hearing any appeal under sub-section (2) shall have all the powers of a civil court under the Code of Civil Procedure, 1908, (5 of 1908), while trying a suit in respect of the following matters, namely :—

(*a*) summoning and enforcing the attendance of witnesses;

(*b*) requiring the discovery and production of any document ;

(*c*) requisitioning any public record or copy thereof from any court or office ;

(*d*) receiving evidence on affidavits ; and

(*e*) issuing commissions for the examination of witnesses or documents.

(4) Every person adjudicating under this section and the Administrator hearing any appeal shall be deemed to be a civil court for the purposes of section 480 and 482 of the Code of Criminal Procedure, 1898 (5 of 1898).

(5) The Administrator may, of his own motion, call for and examine the record of any proceeding in which any order of adjudication of confiscation, fine or penalty, or any other decision or order, referred to in clause (*b*) of sub-section (2), has been made, but no appeal against such order or decision has been preferred under that sub-section, for the purpose of satisfying himself as to the legality or propriety of any such order or decision and may pass such order thereon as he thinks fit :

Provided that no order enhancing any penalty or fine in lieu of confiscation shall be passed under this provision unless the person affected by the proposed order has been given a reasonable opportunity of showing cause against it :

Provided further that no order shall be passed by the Administrator under this sub-section after the expiry of two years from the date of the order or decision referred to in sub-section (2).

(6) The Central Government may, of its own motion or on application made by any person aggireved by an order passed on

appeal under sub-section (2) or on revision under sub-section (5) within six months from the date of communication of such order, call for and examine the record of any proceeding in which such order has been passed on appeal or revision for the purpose of satisfying itself as to the legality or propriety of any such order and may pass such order thereon as the Central Government thinks fit.

(7) Notwithstanding anything contained in any other law—

(*a*) any order passed by the Central Government in revision,

(*b*) subject to such order of the Government, any order passed on appeal or revision under sub-section (2) or sub-section (5), and

(*c*) subject to the final order of the Central Government in revision and the order on appeal or revision under sub-section (2) or sub-section (5) any order of adjudication of confiscation, fine or penalty, or any other decision or order referred to in clause (*b*) of sub-section (2),

shall be final and shall not be called in question in any court except on a question of law.

(8) Whenever confiscation of any gold or conveyance or animal is authorised by this Act, the officer adjudging it may give to the owner thereof an option to pay in lieu on confiscation such fine as the said officer thinks fit:

Provided that, without prejudice to the provisions of the proviso to sub-section (2) of section 28, such fine shall not exceed the value of such gold, conveyance or animal.

(9) For the removal of doubt, it is hereby declared that the payment of fine in lieu of confiscation under sub-section (8) shall not prevent the infliction of any punishment to which the person affected is liable under the provisions of this Act.

31. *Penalties.*—(1) Whoever fails or omits to make any return as required by section 15 or 19 or any declaration including a further declaration as required by section 16 or 17 without any reasonable cause, or makes any statement in such return or declaration which is false and which he either knows or believes to be false or does not believe to be true, shall be punishable with imprisonment for a term which may extend to one year, or with fine, or with both.

(2) Whoever,—

(*i*) refines, processes, melts, converts, deals or makes, manufactures or prepares any article of gold in contravention of any provision of this Act.

(*ii*) has in his possession or under his control any quantity of gold in contravention of any provision of this Act.

(*iii*) sells or otherwise transfers or agrees to sell or transfer, or exposes or offers for sale or transfer, or delivers or otherwise parts with, any gold in contravention of any provision of this Act,

(*iv*) buys, or otherwise acquires, or accepts gold in contravention of any provision of this Act,

(*v*) allows any person to use any premises or any part thereof as a refinery in contravention of any provision of this Act,

(*vi*) makes, manufactures or prepares, or places any order for the making, or the manufacture or preparation of, sells or otherwise transfers or agrees to sell or transfer, or exposes or offers for sale or transfer any ornament **or** any primary gold in contravention of section 3 or section 4 or any other próvision of this Act,

(*vii* possesses, delivers, sells or otherwise transfers any gold in contravention of the provisions of section 5 or section 6,

(*viii*) carries on business as a dealer, refiner, banker or money-lender in contravention of the provisions section 6, 7, 8 or 14,

(*ix*) carries on business as a certified goldsmith in contravention of the provisions of section 13,

(*x*) falsely stamps any primary gold with the intention of causing it to be believed that such primary gold contains gold of such purity as is mentioned in such stamp or sells or otherwise transfers; or agrees to sell or othorwise transfer or exposes or offers for sale or transfer any such falsely stamped primary gold,

(*xi*) makes or counterfeits any stamp intending that the same shall be used for the purpose of stamping any primary gold, knowing the same to be counterfeit, or uses any such counterfeit stamp,

shall be punishable with imprisonment for a term which may extend to two years and also with fine.

(3) Whoever contravenes any other provision of this Act for which no punishment is provided in the foregoing provisions of this section shall be punishable with imprisonment for a term wtich may extend to one month, or with fine, or with both:

Provided that—

(*i*) whoever fails or omits to keep or to produce any account or other document or to furnish any information when required to do so under any provision of this Act;

(*ii*) whoever, fails or omits to display any licence as required by section 12,

shall be liable to a penalty not exceeding five hundred rupees to be adjudged under sub-section (1) of section 30.

32. *Offences by companies.*—(1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of, any director, manager, secretary or other officer of the compay, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section—

(*a*) "company" means any body corporate and includes a firm or other association of individuals; and

(b) "director" in relation to a firm, means a partner in the firm.

33. *Limitation of prosecutions.*—No prosecution for any offence punishable under this Act shall be instituted against any person except by, or with the consent of, the Administrator or any person authorised by the Administrator in this behalf.

34. *Protection of action taken in good faith.*— (1) No suit, prosecution or other legal proceedings shall lie against the Central Government or the Administrator or any person, authorised by the Central Government or the Administrator, or performing any functions in the implementation of the provisions of this Act, for anything which is in good faith done or intended to be done in pursuance of any of the provisions of this Act or any rule or order made thereunder.

(2) No suit or other legal proceedings shall lie against the Central Government or the Administrator or any person, authorised by the Central Government or the Administrator, or performing any functions in the implementation of the provisions of this Act, for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pusruance of any of the provisions of this Act or any rule or order made therunder.

35. *Administrator, etc. to be public servants and application of certain provisions of Central Excises and Salt Act.*— (1) The Administrator and any person authorised by him or the Central Government, and performing any functions is the implementation of this Act shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code. (45 of 1860).

(2) The provisions of sections 11, 15 and 23 of the Central Excises and Salt Act, 1944 (1 of 1944) relationg to—

(i) recovery of any sum payable to the Government, or

(ii) rendering of assistance by any officer of Police or Customs or Revenue, and

(iii) failure of any Central Excise Officer, on duty, respectively, shall apply subject to such modifications and adaptations as may be specified by the Central Government by notification in the Official Gazette in regard to like matters under the provisions of this Act.

36. *Power to except.*—Where on the recommendation of the Administrator or otherwise, the Central Government is of the opinion that it is of necessary or expedient in the public interest so to do, it may, by order and subject to such conditions, if any, as it may specify in the order—

(*a*) exempt any dealer or any refiner or any other person from the operation of all or any of the provisions of this Act; and

(*b*) as often as may be, revoke any such order and again subject, by order any dealer or any refiner or any other person to the operation of such provisions.

37. *Effect of Act and rules, etc., inconsistent with other enactments.*—The provisions of this Act or any rules or orders made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Act or in any instrument having effect by virtue of any enactment other than this Act.

38. *Act not to apply to Government.*—Nothing in this Act shall apply to or in relation to—

(*a*) any gold belonging to, or in the possession or under the control of the Government,

(*b*) any refinery owned or occupied, or any business of a dealer carried on by the Govnrnment.

39. *Government may perform functions and exercise powers of the Administrator.*—The Central Government may perform all or any of the functions of the Administrator and may, by notification in the Official Gazette, exercise all or any of the powers conferred by this Act on the Administrator, if that Government is of the opinion that it is necessary or expedient in the public interest so to do.

40. *Licensing of dealers in areas without sales tax law.*—If in any territory there is no law with respect to sales tax in force, then, every dealer carrying on his business as such dealer in that territory, whose annual turnover is not less than ten thousand rupees, shall be required to be licensed in accordance with the provisions of this Act as if he were a dealer registered under law with respet to sales tax and accordingly all the provisions of this Act shall apply to such registered dealer.

41. ***Presumption as to orders.***—Where an order purports to have been signed by any person authorised by the Administrator in this behalf in exercise of any power conferred by or under any provision of this Act, a court shall presume, within the meaning of the Indian Evidence Act, 1872, (1 of 1872.) that such order was so made by that person.

42. ***Power to make rules.***—(*1*) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

(*a*) the additional particulars to be stamped on each piece of primary gold;

(*b*) the conditions subject to which a pawnee may sell gold pledged with him;

(*c*) the forms of applications for the grant or renewal of licences, permits and certificates under this Act and the fees payable in respect of such applications;

(*d*) the forms of such licences, permits and certificates;

(*e*) the procedure for registration of a dealer under section 14;

(*f*) the accounts to be maintained and the returns to be submitted by public religious institutions under section 15;

(*g*) the forms of declarations under sections 16 and 17 and the particulars regarding gold or persons from whom or in whose favour it was acquired or parted with, as the case may be;

(*h*) the forms in which, and the period within which, returns as to gold shall be submitted by dealers and refiners under section 19;

(*i*) the forms in which accounts shall be kept by dealers and refiners under section 20 and the manner of keeping such accounts;

(*j*) the conditions and restrictions subject to which persons may be permitted to buy gold and the accounts and returns to be furnished by such persons;

(*k*) the precautions to be taken against the use of any conveyance or animal as a means of transport or in the carriage of gold in contravention of the provisions of this Act;

(*l*) the fees payable in respect of appeals and applications for revision under this Act;

(*m*) the manner of publication of notices and orders under this Act;

(*n*) any other matter which has to be or may be prescribed.

(3) In making rules under this section, the Central Government may provide that any person committing any breach of any rule shall, where no other penalty is provided by this Act, be liable to a penalty not exceeding two thousand rupees.

(4) Every rule made by the Central Government under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediatly following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

43. *Repeal and savings*. (*1*) As from the commencement of this Act, the provisions of Part XIIA of the Defence of India Rules, 1962, shall stand repealed and upon such repeal, section 6 of the General Clauses Act, 1897 (10 of 1897) shall apply as if the said Part were a Central Act.

(2) Notwithstanding such repeal, but without prejudice to the application of section 6 of the General Clauses Act, 1897, (10 of 1897) anything done or any action taken (including any application made to, or any order made or licence issued by, the Gold Board, Administrator or other competent authority) under or in pursuance of the provisions of Part XIIA of the Defence of India Rules, 1962, shall, so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under or in pursuance of the corresponding provision of this Act.

R. C. S. SARKAR,
Secy. to the Govt. of India.

Printed by the Director of Printing, Sty. & Publications at the Govt. Press, B'lore.